adventz

August 18, 2022

BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai - 400 001
BSE scrip Code: 534742

National Stock Exchange of India Ltd,
Exchange Plaza, 5th floor,
Bandra-Kurla Complex,
Bandra (E).
Mumbai - 400 051
NSE Symbol: ZUARI

Dear Sirs,

Sub: Notice of 13th (Thirteenth) Annual General Meeting and Annual Report for the FY – 2021-22

Pursuant to Regulation 30 & 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith:

(a) Notice of the 13th (Thirteenth) Annual General Meeting of the Company scheduled to be held on Monday, the 12th September, 2022 at 3.00 P.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").
(b) Annual Report of the Company for the Financial Year 2021-22.

The aforesaid documents are also being uploaded on the Company's website at www.zuari.in and are being emailed to all the eligible shareholders of the Company whose email IDs are registered with the Company/Depositories.

Thanking you,

Yours Faithfully,
For Zuari Agro Chemicals Limited

Gaurav Dutta
Company Secretary

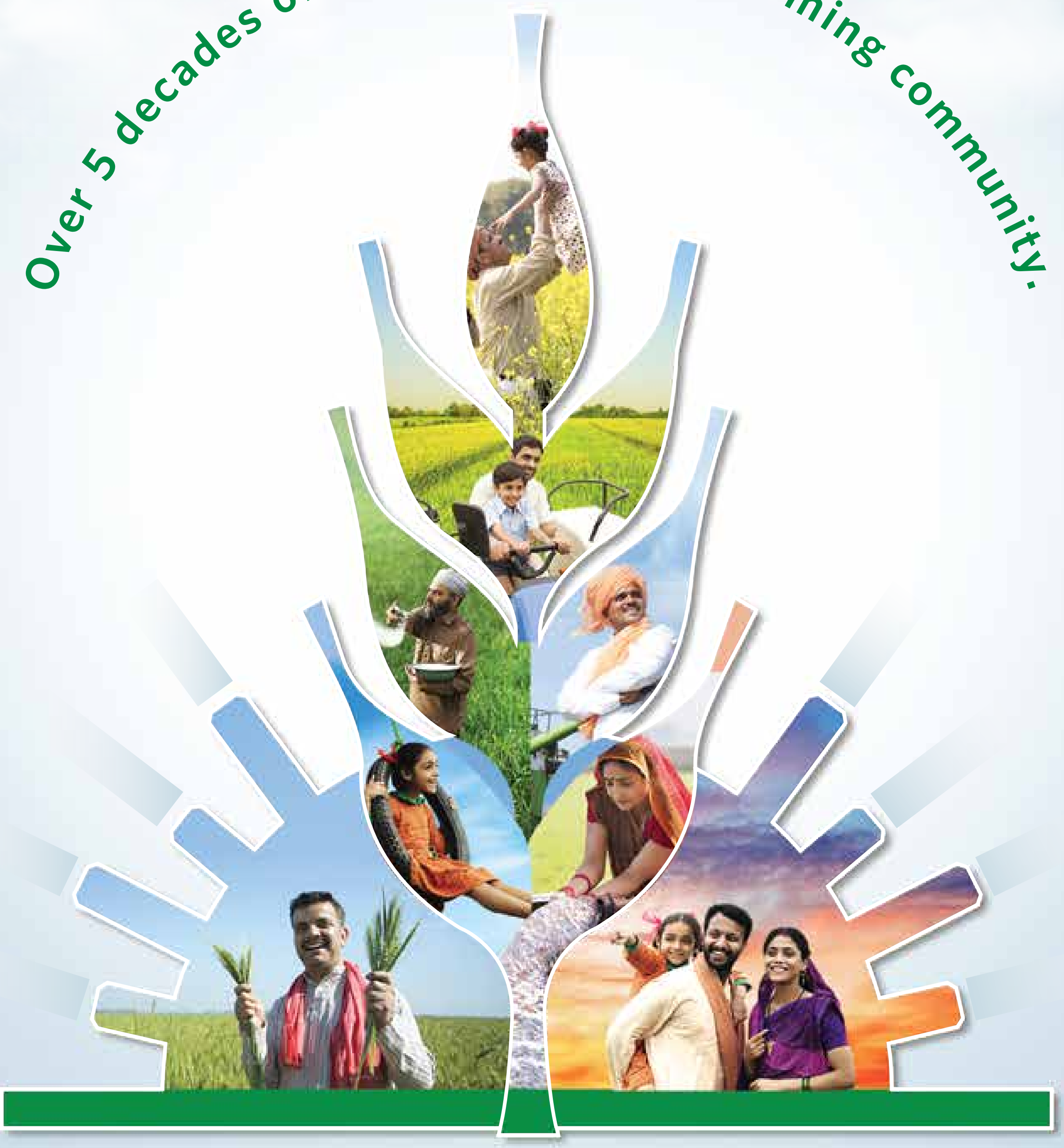
Encl : As above.

JAI KISAAN
आप की मुस्कान

Directors Report 2021-2022

ZUARI AGRO CHEMICALS LIMITED

Over 5 decades of growing with the farming community.



CORPORATE INFORMATION

Board of Directors

Saroj K. Poddar
Chairman

Nitin M. Kantak
Executive Director

Akshay Poddar
Director

N. Suresh Krishnan
Director

Dipankar Chatterji
Independent Director

Reena Suraiya
Independent Director w.e.f. 24.06.2021

Amandeep
Independent Director w.e.f. 29.05.2022

L. M. Chandrasekaran
Independent Director

Key Managerial Personnel:

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary

Statutory Auditors

K. P. Rao & Co.
Chartered Accountants,
Poornima, IInd Floor
25, State Bank Road
Bengaluru – 560 001
Karnataka, India.

Bankers

1. State Bank of India
2. Union Bank of India
3. Canara Bank
4. HDFC Bank Ltd.
5. IDBI Bank Ltd.

Legal Advisors

Khaitan & Co.

The Address of Our Share Transfer Agent

Link Intime India Pvt. Limited
C-101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400 083
Tel: 022-49186000
Fax: 022-49186060
Email: helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Listed On

National Stock Exchange of India Limited & BSE Limited

Registered Office

Zuari Agro Chemicals Limited
Jai Kisaan Bhawan, Zuarinagar,
Goa - 403 726
Tel: 91-832-2592180 / 81
website : www.zuari.in

Corporate Office

Zuari Agro Chemicals Limited
Adventz Centre
3rd Floor, No. 28, Union Street
Off Cubbon Road, Bengaluru – 560 001
Karnataka, India.
Tel: +91 80 46812500/555

CONTENTS

ZUARI AGRO CHEMICALS LIMITED

CIN- L65910GA2009PLC006177

Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726

Website : www.zuari.in, Tel.: 0832-2592431

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Zuari Agro Chemicals Limited ("the Company") will be held on **Monday, 12th September, 2022 at 3.00 P.M. (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, 2022 and the Reports of the Board of Directors and Auditors thereon.
   (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 and the Report of the Auditors thereon.
2. To re-appoint Mr. Saroj K. Poddar (DIN: 00008654), a Non-Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. **Ratification of payment 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 Firm as Cost Auditor, having Firm Registration No. 00167, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the Cost Accounts of the Goa Plant for the period 1st April, 2022 to 31st May, 2022 and for Company's plant situated at Mahad for the financial year 2022-23, being ₹50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

4. **Ratification of Material Related Party Transactions entered with Paradeep Phosphates Limited for the financial year 2021-22:**

   To consider, and if thought fit to pass the following resolution as an **Ordinary Resolution;**

   RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also pursuant to the approval of the Audit Committee and Board in their Meetings, the Material Related Party Transactions as entered into by the Company with a Paradeep Phosphates Limited for ₹636.98 crores in ordinary course of business and at arm's length basis during the Financial Year 2021-22 as detailed in the explanatory statement annexed to this notice, be and are hereby ratified and approved.

   RESOLVED FURTHER THAT any one Director, Company Secretary and Chief Financial Officer, be and are hereby severally authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to this Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion, to finalize any documents and writings related thereto and to sign and file necessary documents, e-form with Registrar of Companies/MCA Portal.

By Order of the Board of Directors

Gaurav Dutta
Company Secretary
ACS 24445

Date: 3rd August, 2022
Registered Office: Jai Kisaan Bhawan, Zuarinagar-Goa 403 726

NOTES:

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 & 4 of the Notice, is annexed hereto. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking re-appointment at the Annual General Meeting (AGM) under item No. 2 is also annexed hereto.
2. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 5, 2022 (hereinafter collectively referred to as "MCA Circulars") has permitted the holding of Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM). In compliance with the provisions of the Companies Act, 2013 ("the Act"), and MCA Circulars, the 13th Annual General Meeting ("Meeting" or "AGM") of the Company is being

held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter collectively referred to as "SEBI Circulars") the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The Notice of the 13th Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and SEBI Circulars. The Notice calling the AGM and Annual Report for the financial year 2021-22 has been uploaded on the website of the Company at www.zuari.in. The Notice and Annual Report for the financial year 2021-22 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) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars. Since the AGM will be held through VC/OAVM, the route map and attendance slip are not annexed to this Notice.
8. The Company's Registrar & Share Transfer Agents (RTA) are :

   Link Intime India Private Limited
   C-101, 247 Park,
   L B S Marg, Vikhroli (W)
   Mumbai 400 083
   Tel : 022-49186000
   Fax: 022-49186060
   E-mail: rnt.helpdesk@linkintime.co.in
   Website: www.linkintime.co.in
9. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unpaid/unclaimed for a period of seven years from the due date of payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF within 30 days of such shares becoming due to be transferred to the Fund.

   The members who have a claim on the above dividends and/or shares may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 which is available on the website of IEPF Authority at www.iepf.gov.in and by sending a physical copy of the same, duly signed by them to the Company, along with requisite documents enumerated in the Form IEPF-5.
10. The company has uploaded the details of unpaid and unclaimed amount lying with the Company as on the date of last Annual General Meeting (AGM) on the website of the Company at www.zuari.in, as well as on the website of IEPF Authority at www.iepf.gov.in. Unclaimed dividend pertaining to the financial year 2014-15 is due for transfer to the Investor Education and Protection Fund and the same can be claimed by making necessary application to the Company.

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

Dividend year	Date of declaration of dividend	Due date for transfer to IEPF
31.03.2015	21.09.2015	19.10.2022
31.03.2017	22.09.2017	20.10.2024

11. Members, who have neither received nor encashed their dividend warrant(s) in respect of the earlier years, are requested to make a request letter to the Company/RTA, mentioning the relevant Folio number or DP ID and Client ID, name of the shareholders, contact no., email id, self attested copy of PAN Card, cancelled cheque, Self attested address proof such as latest Utility Bill/Aadhar Card/Passport for issuance of duplicate/revalidated dividend warrant(s). As and when the amount is due, it will be transferred by the Company to Investor Education and Protection Fund. No claim thereof shall lie against the Company after such transfer.
12. Members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Services (NECS). The ECS facility is available at specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility.

13. Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of physical shares:

SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination in the prescribed forms to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA, for immediate action. A copy of such forms can be downloaded from the website of the Company at https://www.zuari.in/investor/kyc_compliance or from the website of our RTA at https://web.linkintime.co.in/KYC-downloads.html

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice will be available electronically for inspection by the Members on the website of the Company at http://www.zuari.in/investor/notice_general_meeting during the time of AGM.

15. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA if shares are held in physical mode or with the Depository Participant, if the shares are held in electronic mode.

16. **Dematerialisation of physical shares:** On and from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form. In addition to that, as per the recent amendments to SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/Exchange of securities certificate; (d) Endorsement; (e) Sub-division/Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (g) Transmission and (h) Transposition.

In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

17A. Voting Process: Process and manner for members opting to vote through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) 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 authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

EVSN : 220812005

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) **The remote e-voting period begins on Friday, 9th September, 2022 at 10.00 A.M. (IST) and ends on Sunday, 11th September, 2022 at 5.00 P.M.(IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being Monday, 5th September, 2022 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 December 9, 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.

(iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's 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 URLs for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 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 i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. 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**	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. 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 2) If 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.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	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's 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 above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.
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 toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding shares in DEMAT form & physical shareholders.**

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 Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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 as mentioned in instruction (3).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

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.

(vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN of ZACL : 220812005 to vote.

(ix) 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.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) 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.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) 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.

(xv) **Facility for Non-Individual Shareholders and Custodians–Remote Voting**

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at cs.sbhat@gmail.com and to the Company at the email address viz; shares@adventz.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that 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 with regard to the financial statements or any other matter to be placed at the AGM may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at shares@adventz.com.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending upon the availability of time.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall 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 ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. **For shareholders holding shares in physical mode -** A signed copy of request letter in Form ISR-1 mentioning details like Folio No., Name of shareholder, Mobile No., email id, that is to be registered along with scanned copy of the share certificate (front and back), copy of PAN (self attested), copy of AADHAR (self attested) may be sent by email to the Company at shares@adventz.com/RTA at rnt.helpdesk@linkintime.co.in. Members may download the prescribed form from the Company's website at http://www.zuari.in/investor/kyc_compliance

2. **For Demat shareholders -** Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

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 call on toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.

B. General instruction/information for Members for voting on the Resolutions:

a) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cutoff date, being Monday, 5th September, 2022. The person who is not a member as on cut-off date should treat this notice for information purpose only. Any person, who acquires shares of the Company & becomes member of the Company after the dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. Monday, 5th September, 2022, may please refer the voting instructions in the AGM Notice for remote evoting/ e-voting.

b) Mr. Shivaram Bhat, Practicing Company Secretary (Membership No. 10454) has been appointed by the Board of Directors of the Company as the Scrutinizer for scrutinizing the remote e-voting process as well as voting through poll papers at the Meeting, in a fair and transparent manner.

c) The Scrutinizer shall immediately after conclusion of the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company.

d) The Scrutinizer will submit, within 2 working days of conclusion of the AGM, a consolidated scrutinizer's report, of the total votes cast in favour or against, if any, to the Chairman of AGM or any other Director or Company Secretary authorized by the Chairman of the AGM in writing who will countersign the same and declare the result of the voting forthwith, which shall be displayed on the Notice Board of the Company at its Registered Office. The result will also be displayed on the website of the Company at *www.zuari.in*, besides being communicated to Stock Exchanges.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3: Ratification of Payment of Remuneration to Cost Auditor:

With the sale of Goa Plant to Paradeep Phosphates Limited (PPL), which has been consummated on 1st June, 2022, the audit of cost accounts of Goa Plant has to be carried out for the period of 2 months from 1st April, 2022 to 31st May, 2022. The cost audit of Fertiliser operations of the Company's plant situated at Mahad for the financial year 2022-23 is also required to be carried out.

Hence, the Board, on the recommendation of the Audit Committee, has approved appointment and remuneration of M/s S.S. Sonthalia & Co., Cost Accountant Firm, who are presently the Cost Auditors of PPL, to conduct the audit of the Cost Accounts of the Goa Plant for the period of 2 months from 1st April, 2022 to 31st May, 2022 as well as to conduct the cost audit of Fertiliser operations of the Company's plant situated at Mahad for the financial year 2022-23 at a remuneration of ₹50,000/- (Rupees Fifty Thousand 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 Companies Act, 2013 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.

Hence, the Board recommends the resolution set out at Item No.3 of the Notice for shareholders' approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP are concerned or interested in this resolution.

Item No. 4 : Ratification of Material Related Party Transactions entered with Paradeep Phosphates Limited for the financial year 2021-22

The Omnibus approval for the financial year 2021-22 for entering into related party transactions with Paradeep Phosphates Limited (PPL) for ₹1000 crores was obtained at the Audit Committee meeting held on 12th May, 2021.

Before the amendment of Regulation 23 of SEBI (LODR) Regulations, 2015 on April 1, 2022, prior approval of shareholders for material related party transactions was not required and the same could be placed before shareholders at the first general meeting held after the end of the financial year.

All transactions entered into by the Company with PPL for Financial Year 2021-22 were in the ordinary course of business and are at arm's length basis, hence Section 188 of the Companies Act, 2013 was not applicable for the aforesaid transactions. However, the total value of all related party transactions entered and other incidental expenses incurred by the Company with PPL aggregating to a total of ₹636.98 crore for the period from April 01, 2021 to March 31, 2022 has exceeded the materiality threshold under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (10% of the consolidated turnover), hence it is proposed to obtain shareholders' approval for the same.

Following are the details of Related Party Transactions for which ratification is sought:

1.	Name of the Related Party	Paradeep Phosphates Limited (PPL)
2.	Nature of relationship including nature of its concern or interest (financial or otherwise)	PPL is subsidiary of Zuari Maroc Phosphates Pvt. Ltd., a joint venture of the Company.
3.	Names of the directors or Key managerial Personnel who is related, if any.	a. Mr. Saroj K. Poddar, Chairman, Promoter Director of ZACL & PPL b. Mr. Akshay Poddar, Non-Executive Promoter Director of ZACL c. Mr. N. Suresh Krishnan, Non-Executive Director of ZACL and Managing Director of PPL.
4.	Type, Nature, particulars, material terms of contract	• Purchase, sale or supply of goods and allied activities • Availing and rendering of services • Transfer of resources including royalty fees • Sales and marketing services • Cost recharge/rebate to and from related parties • Lease of office space. • Interest receivable/payables
5.	Tenure/Duration/Approval Period	For Financial Year 2021-22
6.	Value/Amount of transaction for which ratification is sought	Ratification of all the related party transactions amounting to ₹636.98 crores entered by the Company with PPL during FY 2021-22, which is within the omnibus approval limits approved by the Audit Committee at its meeting held on May 12, 2021.
7.	The manner of determining the pricing and other commercial terms	The related party transactions were in ordinary course of business and at arm's length basis. The landed cost (including 2.5% of margin to PPL) of purchase of raw material from PPL is equal to the cost of purchase from a 3rd party (cost of raw material and finance cost). Sale price and rebates are as per price/ rebatessold/allowed to other dealers by ZACL. Expenses has been reimbursed at actual cost. The royalty rate of 2% has been determined as per Brand Royalty Analysis report.
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	Annual Consolidated Turnover (ACT) of ZACL as on 31st March, 2021 is ₹4572.62 crores. 10 % of ACT is ₹457.26 crores
9.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	-
10.	Justification as to why the RPT is in the interest of the listed entity	The related party transactions were in ordinary course of business and at arm's length basis.
11.	A copy of the valuation or other external party report, if any such report has been relied upon	NA
12.	Percentage of the counterparty's ACT that is represented by the value of the proposed RPT on a voluntary basis;	ACT of PPL as on 31st March, 2021 was ₹5164.73 crores
13.	Any other information that may be relevant	-

Except Mr. Saroj K. Poddar, Chairman & Promoter Director, Mr. Akshay Poddar, Non-Executive Promoter Director, Mr. N. Suresh Krishnan, Non-Executive Director, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

The Board of Directors of the Company recommends the resolution set out at Item No. 4 of the Notice for shareholders approval as an Ordinary Resolution.

By Order of the Board of Directors

Gaurav Dutta
Company Secretary
ACS 24445

Date: 3rd August, 2022
Registered Office: Jai Kisaan Bhawan, Zuarinagar-Goa 403 726

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

Name of the Director	**Mr. Saroj K. Poddar**
DIN	00008654
Date of Birth	15-09-1945
Age (in years)	76
Relationship between directors inter-se	Mr. Akshay Poddar is the son of Mr. Saroj K. Poddar
Date of First Appointment	20-05-2011
Qualification	Bachelor's degree in Commerce
Functional Expertise & Experience including brief resume.	Mr. Saroj K. Poddar, is the Chairman of our Company and Chairman of the Adventz Group. He holds a bachelor's degree in commerce from St. Xavier's College, University of Calcutta. He has served as the president of the Federation of Indian Chambers of Commerce and Industry and was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Council of N M Rothschild (India) Limited various seminal projects including joint ventures.
Terms and Conditions of appointment/re-appointment	Re-appointment on retirement by rotation
Directorship held in other companies (excluding foreign companies & Section 8 companies) as on 31st March, 2022.	1. Chambal Fertilisers And Chemicals Limited* 2. Lionel India Limited 3. Paradeep Phosphates Limited 4. Texmaco Infrastructure & Holdings Limited* 5. Texmaco Rail & Engineering Limited* 6. Zuari Global Limited* 7. Adventz Finance Private Limited 8. Hettich India Private Limited 9. Adventz Homecare Private Limited 10. Hepo India Private Limited 11. Forte Furniture Products India Private Limited
Listed entities from which the person has resigned in the past three years	NIL
Membership/Chairmanship of Committees of Public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2022	NIL
Shareholding in the Company, including shareholding as a beneficial owner	1,79,406 (shares include held in individual capacity and as a trustee)
Remuneration proposed to be paid	Sitting fees will be paid

* listed

**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, 2022, please refer to the Corporate Governance Report (Annexure A) of the Annual Report.

DIRECTORS' REPORT 2021-22

To the Members,

1. Your Directors place before you the Thirteenth Annual Report of the Company together with Statement of Accounts for the financial year ended 31st March, 2022.

2. Financial Highlights:

(₹in lakhs)

Particulars	Standalone				Consolidated			
	2021-22		2020-21		2021-22		2020-21	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
(Loss)/Profit for the year before depreciation, exceptional item and taxation	(7,423.11)	(452.75)	(9,782.17)	(9,647.43)	12,104.87	424.94	6,775.44	(13,515.89)
Less : Depreciation for the year	353.05	-	367.17	3,915.42	6,749.28	-	6,796.33	3,915.42
Exceptional Expenses	-	-	-	-	-	-	-	-
Share of Profit / (Loss) of an associate and a joint venture	-	-	-	-	16,028.65	-	8,673.85	-
Profit/(loss) before tax	(7,776.16)	(452.75)	(10,149.34)	(13,562.85)	21,384.24	424.94	8,652.96	(17,431.31)
Less : Provision for taxation – Current Tax	-	-	-	-	2,518.18	-	1,955.00	-
Income Tax Credit of earlier years	116.17	-	-	-	116.17	-	-	-
Deferred Tax Charges (Credit)	-	-	-	-	2,092.10	-	1,891.21	-
(Loss)/Profit after tax	**(7,892.33)**	**(452.75)**	**(10,149.34)**	**(13,562.85)**	**16,657.79**	**424.94**	**4,806.75**	**(17,431.31)**
Other Comprehensive Income (Loss)	4,090.93	-	1,146.37	-	4,029.05	-	1,233.09	-
Total Comprehensive Income/ (Loss)	**(3,801.40)**	**(452.75)**	**(9,002.97)**	**(13,562.85)**	**20,686.84**	**424.94**	**6,039.84**	**(17,431.31)**
Proposed Dividend : NIL (PY NIL) (in case of a subsidiary Re. 1.20 (PY Re.1)	-	-	-	-	1,422.18	-	1,185.15	-
Tax on dividend (Including Surcharge)	-	-	-	-	-	-	-	-
Earnings per equity shares (EPS) (In ₹)								
Basic and diluted from continuing and discontinued operations	**(18.77)**	**(1.08)**	**(24.13)**	**(32.25)**	**30.00**	**1.01**	**4.10**	**(41.45)**

A. Review of Operations:

The revenue from continued operations (Standalone) for the year ended 31st March, 2022 was ₹8,301.07 lakhs and discontinued operations was ₹2,51,139.71 lakhs as compared to continued operations of ₹10.63 lakhs and discontinued operations of ₹2,21,938.60 lakhs for the previous year ended 31st March, 2021.

The loss before tax for the year ended 31st March, 2022 from continuing operations was ₹7,776.16 lakhs and discontinued operations was ₹452.75 lakhs as compared to loss from continued operations of ₹10,149.34 lakhs and discontinued operations to ₹13,562.85 lakhs for the previous year. The loss after Tax from continuing and discontinuing operations stood at ₹8,345.08 lakhs for the year ended 31st March, 2022 as compared to loss of ₹23,712.19 lakhs for the previous year.

The revenue from continued operations (Consolidated) for the year ended 31st March, 2022 was ₹3,58,979.83 Lakhs and discontinued operations was ₹2,51,139.71 lakhs as compared to continued operations of ₹2,40,374.49 lakhs and discontinued operations of ₹2,16,887.13 lakhs for the previous year.

The consolidated profit before tax for the year ended 31st March, 2022 from continuing operations was ₹21,384.24 lakhs and discontinued operations was ₹424.94 lakhs as compared to profit from continued operations of ₹8,652.96 lakhs and loss from discontinued operation of ₹17,431.31 lakhs for the previous year. The profit after tax from continuing and discontinuing operations stood at ₹17,082.73 lakhs for the year ended 31st March, 2022 as compared to loss of ₹12,624.56 lakhs for the previous year.

During the year 2021-22, Ammonia & Urea plants operated at normal levels whereas NPK plants were running intermittently due to non-availability of raw material, which resulted in decrease in production, which had adverse effect on the cash flow and financial flexibility of the Company.

Pursuant to Board approval dated February 22, 2021, the Company entered into Business Transfer Agreement (BTA) dated March 1, 2021 with Paradeep Phosphates Limited (PPL) for sale of fertilizer plant at Goa along with associated business to PPL on slump sale basis for an agreed enterprise value of USD 280 million. The shareholders' approval was obtained on 7th April, 2021 through postal ballot process. The Competition Commission of India (CCI) approved acquisition of the Goa plant of the Company by PPL on 25th June, 2021. PPL's Initial Public Offer (IPO) was successfully completed on May 19, 2022 and it was listed on May 27, 2022 and in terms of the objects of the IPO, the Company is expected to receive the balance of the purchase consideration on or before May 31, 2022 computed in accordance with the BTA (Closing Consideration). ZACL and PPL have agreed that the Completion Date for BTA consummation shall be June 1, 2022, before which ZACL will receive the IPO proceeds from PPL in accordance with BTA and RHP. Upon closing of the transactions, this would result in bringing in long term funds to the Company.

B. Reserves:

The net deficit in the statement of Profit and Loss and General Reserves as on 31st March, 2022 was ₹85,972.22 lakhs, as against ₹77,638.86 lakhs net deficit in the statement of profit and loss as on 31st March, 2021.

C. Material changes and commitments affecting financial position between the end of the financial year and date of the report:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relates and date of the approval of the Directors Report.

3. Dividend:

The Directors do not recommend any dividend in view of loss during the current year.

The Dividend Distribution Policy of the Company is displayed on the Company's website. The weblink for the same is: http://www.zuari.in/investor/corporate_governance

4. Capital Projects:

In order to comply with the revised energy norms set forth in NUP-2015 Policy notified by Department of Fertilizers, Government of India, the Company had conceptualized an Energy Savings Project (ESP) with target Specific Energy Consumption of Urea at 6.1GCal/MT. The ESP was to be executed over a period of two years at an approximate CAPEX outlay of ₹380 crores (including the costs of schemes already implemented in October, 2018 and a couple of schemes under implementation).

Accordingly, the services of M/s CASALE were engaged to carry out the Process Design Package (PDP) for the ESP schemes and their integration. However, due to financial liquidity issues faced by the Company, the PDP development had not proceeded as envisaged but was resumed through commencement of Kick-off Meeting in December, 2020. During the course of the process design study, considering the financial constraints and criticality in terms of sustenance/reliability, it was decided that certain elements out of the entire integrated revamp scheme would be implemented. With the implementation of these identified schemes, the Specific Energy Consumption of Urea is expected to be about 6.30 GCal/MT. The CAPEX outlay is estimated to be ₹250 Crores (excluding IDC).

The delay in consummation of the Slump Sale further resulted in a decision to implement the project / ESP schemes in two phases. The ESP phase-1 wherein, the Converters Internals Retrofit along with the HP Synloop Boiler will be implemented on priority. The Capital Outlay for the aforementioned features is approximately ₹63.7 Crores (excluding IDC). The Specific Energy Consumption of Urea is expected to be about 6.40 GCal/MT. This project is targeted to be completed by October 2023. In the meanwhile, the PDP is expected to be completed and received by October, 2022. Accordingly, the Phase-2 implementation is targeted for April 2025 when the Specific Energy Consumption of Urea is expected to further reduce to 6.30 GCal/MT.

As a part of the Sustenance Plan, in order to ensure reliability, the Process Gas Reboiler (A-EA 301) in the Ammonia plant, the Tube Bundle (only) has been already replaced. The Atmospheric Ammonia storage tank at the port is decommissioned for a Major Inspection (open inspection and repair, if any) through Ms. ThyssenKrupp Industrial Solutions (TKIs). The Tank will be recommissioned by end May, 2022.

5. Conservation of Energy/Technology Absorption/ Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

No energy savings/conservation schemes implemented during the year 2021-22.

B. Technology Absorption:

i) The efforts made towards technology absorption - Not Applicable

ii) The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable

iii) Imported technology (imported during the last 3 years reckoned from the beginning of the financial year) - Not Applicable

iv) The expenditure incurred on Research and Development - Not Applicable

No new technology was absorbed during the year 2021-22.

C. Foreign Exchange and Outgo:

The expenditure in foreign currency for the year ended 31st March, 2022 was ₹272.65 lakhs as compared to ₹123.68 lakhs during the previous year. The foreign exchange earnings for the year ended 31st March, 2022 was ₹NIL as compared to ₹NIL lakhs during the previous year.

6. Environment, Health and Safety:

The Company continues its environment and safety initiatives and has successfully implemented internationally recognized Environment & Safety Standards and is an ISO 14001:2015 and ISO 45001:2018 certified organization. The Certification process was carried out by TUV Nord. The Company has also its 'Environment, Health & Safety' Policy in line with being compliant to these standards, ISO 14001:2015 and ISO 45001:2018.

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

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 Company has been putting all efforts for reduction in end-user Plastic waste and setting an example for other companies.

The Company is closely working with GEM Enviro Management Private Limited which is a Waste Management Agency (WMA) that specializes in collection and aggregation of all kinds of packaging waste in a professional and organised manner backed by technology on PAN India basis.

The Company is working with GEM not just to fulfil our EPR (Extended Produced Responsibility) compliances under guidelines stipulated under PWM Rule 2016, amended 2018, but be the torchbearer when it comes to managing postconsumer plastic waste.

Under our EPR Activity, the Company, in the FY 2021-2022 has diverted approximate 450 tonnes of Post-Consumer Plastic Waste from landfills to recycling and thus contributing towards a greener and cleaner environment.

The Company continues to be certified for "Excellence Certification of Protect & Sustain" stewardship from International Fertilizer Association. The surveillance audit for the Protect & Sustain was completed in the month of March 2021.

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. Considering the pandemic situation, major activities were held online.

"DIGITAL MASS COMMUNITY SAFETY AWARENESS" was conducted to generate safety awareness within general public on simple precautions to be taken in the event of ammonia gas emergency in various panchayat areas on giant LED screen with vehicle, during the Safety week celebration. Simple precautions to be taken in the event of ammonia gas emergency were played on FM channel to educate and create awareness.

Two days training program on Occupational Health & Safety, through the Inspectorate of Factories & Boilers, was conducted for the employees & workers.

The Year 2021-22 begin with a massive second wave of COVID-19, wherein many Covid infections were detected. The Company also had about 100 employees, most of them from Maintenance section being infected during the period, which coincided with our annual turn around.

During this period, the Company organized sample collections from their home itself for many employees and their family members. A Medication kit (common medicines required for treatment of disease) was prepared by the Company and distributed to employees in the event of non-availability of medicines in the market as the demand was very high.

The Company managed to treat all Covid cases (some even with complications) successfully barring one employee, who had to be hospitalized for recovery. The third wave was neither intense nor severe enough, as we had only few mild cases being detected.

7. Industrial Relations:

The Industrial Relations scenario in the Plant was normal. The Company is in discussions with the Union (both permanent and contract workmen) on the pending Charter of Demands.

8. Annual Return:

Annual Return referred to in Section 92(3) of the Companies Act, 2013 will be available on the website of the Company at www.zuari.in

9. Related Party Transactions:

All related party transactions that were entered into during the financial year, were on an arm's length basis. All related party transactions are approved by the Audit Committee and the Board of Directors. The details of related party transactions as per Form AOC-2 is enclosed as **Annexure- 'K'.**

10. Particulars of Loans, Guarantees or Investments:

The details of Loans given, Corporate Guarantees provided and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are given in Note No. 41 of the financial statements.

11. Nomination & Remuneration Policy and Disclosures on Remuneration:

The Board on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and employees in the Senior Management including the criteria for determining qualification, positive attributes, independence of director and other matters as required under Section 178(3) of the Companies Act, 2013. More details of the same including the composition of the Committee are given in the Report on Corporate Governance enclosed as **Annexure 'A'** to this report.

The nomination and remuneration policy is displayed on the Company's website. The weblink for the same is: http://www.zuari.in/investor/corporate_governance

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 'I'** 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 is enclosed as **Annexure 'J'**.

12. Vigil Mechanism/Whistle Blower Policy:

The Company in accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has established a vigil mechanism for directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company has also formulated a Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairman of the Audit Committee.

13. Corporate Social Responsibility ('CSR'):

The Board of Directors has constituted a CSR Committee and also approved the CSR Policy. CSR Committee comprised of Executive Director, one Independent Director and two Non-Executive Directors as on 31st March, 2022. The Board has designated Mr. Vijayamahantesh Khannur, Company Secretary as Secretary of the Committee. During the year under review, 1 meeting of the Committee was held on 12th May, 2021.

The Composition of Committee & their attendance at the meetings are as follows:

Names of Members	Status	Nature of Directorships	No. of meetings attended`
L.M. Chandrasekaran*	Chairman	Non-Executive Independent Director	1
N. Suresh Krishnan	Member	Non-Executive Director	1
Akshay Poddar	Member	Non-Executive Director	1
Nitin M. Kantak *	Member	Executive Director	1

* w.e.f. 7th May, 2021

The policy is displayed on the Company's website. The weblink for the same is: http://www.zuari.in/investor/corporate_governance

The CSR Committee formulates and recommends to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013. The Committee also recommends the amount of expenditure to be incurred on the CSR activities and monitors the CSR Policy of the Company from time to time.

The detailed report on CSR activities as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 'H'** to this report.

14. Directors and Key Managerial Personnel:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

In accordance with the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company organizes familiarization programme for Directors as and when required.

Mr. Saroj K. Poddar retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. A brief profile and details of other directorships of Mr. Saroj K. Poddar are given in the Report on Corporate Governance attached as **Annexure 'A'** to this report.

Mrs. Reena Suraiya has been appointed as Independent Director of the Company for a period of 3 years w.e.f. 24th June, 2021.

Mr. Marco Wadia ceased to be Independent Director of the Company w.e.f. 1st April, 2022 upon completion of his term.

Mr. Amandeep has been appointed as Independent Director of the Company for a period of 3 years w.e.f. 29th May, 2022.

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'.

Mr. Nitin M. Kantak, Executive Director, Mr. Vijayamahantesh Khannur, Company Secretary and Mr. Raj Kumar Gupta - Chief Financial Officer have been designated as Key Managerial Personnel in accordance with provisions of Section 203 (1) of the Companies Act, 2013.

15. Performance Evaluation:

Pursuant to the Provisions of Section 134, 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out;

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

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

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

The details of Annual Performance evaluation carried out are given in the Corporate Governance Report attached as Annexure '**A**' to this report.

16. a. Board Meetings:

During the year, eight Board Meetings were held on 28th May, 2021, 24th June, 2021, 10th August, 2021, 14th August, 2021, 17th September, 2021, 10th November, 2021, 2nd February, 2022 and 23rd February, 2022. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report.

b. Audit Committee:

During the year under review, eight Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report.

17. Fixed Deposits:

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

18. Details of significant and material orders passed by the Regulators or Courts:

There are no significant material orders passed by the Courts/ Regulators or Tribunals impacting the going concern status and Company's operations in future. The details pertaining to various demand notices from various statutory authorities are disclosed in Note No. 33 of financial statements under the heading – Contingent Liabilities.

19. 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 HANA) system to record data for accounting and managing information with adequate security procedure and controls.

20. Disclosure Requirement:

Your Company has complied with all the mandatory requirements of Schedule V of SEBI (LODR) Regulations, 2015. The Report on Corporate Governance is enclosed as **Annexure 'A'** to this report. A Certificate on compliance of Corporate Governance by a Practicing Company Secretary is enclosed as **Annexure 'B'**. Declaration by the Executive Director is enclosed as **Annexure 'C'**, the Management Discussion and Analysis is enclosed as **Annexure 'E'**, the Business Responsibility Report is enclosed as **Annexure 'F'** to this report and Secretarial Audit Report is enclosed as **Annexure 'G'** to this report.

21. Statutory Auditors:

M/s S. R. Batliboi & Co. LLP, Chartered Accountants (FRN 301003E/E300005), retired as Statutory Auditors of the Company at the conclusion of the 12th Annual General Meeting upon completion of the second term.

As per Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendations of the Audit Committee, M/s. K.P. Rao & Co., Chartered Accountants (FRN 003135S), were appointed as Statutory Auditors of the Company at the 12th Annual General Meeting, in place of retiring auditors M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (FRN 301003E/E300005), to hold office from the conclusion of 12th Annual General Meeting until the conclusion of the 17th Annual General Meeting.

The Auditors Report on Standalone & Consolidated Financial Statements contained no qualifications.

During the year under review, there were no frauds reported by the Auditors to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013.

22. Cost Records & Cost Audit:

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts are made and records are maintained. The Cost Audit Report for the year ended 31st March, 2021 was filed by the Company with the Ministry of Corporate Affairs on 9th September, 2021.

23. Secretarial Audit Report:

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 has appointed Mr. Shivaram Bhat, Practicing Company Secretary as Secretarial Auditor, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2021-22 is enclosed as **Annexure 'G'** to this Directors' Report. The Report does not contain any qualification.

24. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment. There was no complaints/cases filed/ pending with the Company during the financial year.

25. Employees' Stock Option Scheme:

Though the Employees Stock Option Scheme (ESOPS) was approved by the shareholders in the Annual General Meeting held on 7th August, 2012, no ESOPS was issued pursuant to the same.

26. Issue of Non-Convertible Debentures (NCDs):

Pursuant to the provisions of Sections 42, 71, 179(3), 180 (1) (a), 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Board at its meeting held on 23rd February, 2022 has approved the issue and allotment of 1,500 senior, secured, unrated, unlisted, redeemable, non-convertible debentures of a face value of ₹10 lakhs each, aggregating up to ₹150 crores in one or more tranches, on such terms as set out in the Transaction Documents, on a private placement basis. Out of 1500 non-convertible debentures, 1250, Non-Convertible Debentures of ₹10 Lakhs each aggregating to ₹125 crores were allotted on 25th February, 2022, 5th April, 2022 and 25th May, 2022.

27. 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 received or any proceedings filed under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2021-22.

28. Consolidated Financial Statements under Section 129 of the Companies Act, 2013:

The Consolidated Financial Statements of the Group has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 which forms part of this Annual Report.

The Company shall place the financial statements of subsidiaries on its website in pursuance of Section 136 of the Companies Act, 2013. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any shareholders at the Registered Office of the Company as well as the Registered Office of the Subsidiaries.

29. Subsidiaries:

A brief review of the subsidiaries of the Company is given below:-

a) Mangalore Chemicals & Fertilizers Limited (MCFL):

Mangalore Chemicals & Fertilizers Limited (MCFL) is a subsidiary of the Company and the Company holds 54.03% total voting rights in MCFL.

MCFL has only one major business segment, viz. Fertilizers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. About 72% of the Company's products are sold in the state of Karnataka, which meets about 11% of the needs of the farmers in the State. MCFL maintains a good share of the market in Kerala and a modest share in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.

The revenue from operations for the year ended March 31, 2022 was ₹2,89,558.30 lakhs as compared to ₹2,14,402.82 lakhs for the year ended March 31, 2021.

The profit before tax for the year ended March 31, 2022 was ₹13,466.01 lakhs as compared to ₹10,556.06 for the year ended March 31, 2021. Total Comprehensive Income stood at ₹8,765.86 lakhs for the year ended March 31, 2022 compared to ₹6,760.60 lakhs for the previous year.

b) Adventz Trading DMCC:

Adventz Trading DMCC, wholly owned subsidiary of your Company, incorporated under Dubai Multi Commodities Centre Authority (DMCC) is engaged in the business of trading in chemical fertilizers, seeds, agricultural and veterinary pesticides and basic industrial chemicals.

The primary objectives include:

- Achieving higher operating volumes.
- Meeting the import requirements of associate companies & other customers.
- Trading of fertilizer raw materials, phosphatic, potassic fertilizers and other agri inputs.
- Achieving higher returns / savings by managing and negotiating best commercial terms.
- The offshore trading company is based in a tax advantageous region and the tax arbitrage is one of the sources of economic benefit besides smart buying.

Adventz Trading DMCC, through its established relationships with commodities brokers and primary manufacturers, will be able to amplify its returns through efficient business operations and diverse customer base among fertilizer companies in Indian and rest of South East Asia.

The revenue from operations for the year ended March 31, 2022 was AED 2, 76,654 as compared to AED 1,713,050 for the year ended March 31, 2021.

The loss for the year ended March 31, 2022 was AED 2,145,550 as compared to AED 1,772,270 for the year ended March 31, 2021.

c) Zuari Farmhub Limited :

Zuari Farmhub Limited (ZFL) is a wholly owned subsidiary of the Company w.e.f. 23rd March, 2020. With the execution of the Business Transfer Agreement (BTA) dated 31st March, 2020 between the Company and ZFL, the Company transferred its Retail, SPN & allied, CPC business and blended business by way of slump sale to ZFL. The following are the businesses carried out by ZFL:

The Specialty Nutrients Business:

In order to support the market & farmers need with timely supply of quality products, ZFL manufactures, source & promotes high quality Water Soluble Fertilizers, Micronutrients, Organic Products, Soil Conditioners & Agri. fluids to offer complete plant nutrient solution to farmers. The Specialty Fertilizer Division facility in Baramati manufacturing highest quality Water Soluble Fertilizer mixtures has greatly helped in growth of the business.

Plant Protection Chemicals:

To offer services to farmers by offering such protection measures, wide range of agri. Crop protection chemicals are marketed by ZFL under their own brands sourced from reputed manufacturers. ZFL also adopted a collaborative approach for marketing the products of reputed pesticide companies in their brands through their channel partner network.

Agri Retail Business - Jai Kisaan Junction:

ZFL has conceptualized and operate a targeted platform which is company owned company operated retail multi brand store chain - **Jaikisaan Junctions,** to deliver quality farm inputs and services at reasonable prices to the farmers. Under the motto of One-Stop-Solution, highest quality products / brands are sourced right from manufacturer itself for Jaikissan Junctions to offer an entire range of Agri. products and services to the farmers.

Analytical and Advisory Service:

To promote the concept of Integrated Nutrient Management, six Agricultural Development Labs (ADLs) established at different locations strive to provide solution to the pressing needs of the farmers in 14 out of 15 agro climatic zones in India. Through this facility, analysis of samples pertaining to our customers is done and appropriate recommendations for soil health and crop management are given.

The Agri Services and R&D is involved in imparting training to internal customers and channel partners. Adventz Agri Innovation Centre at Solapur is a platform where agricultural technologies are screened based on adaptation and assessing their relative advantage, compatibility, complexity and replicability.

The revenue from operations for the year ended March 31, 2022 was ₹69,299.00 lakhs as compared to ₹29,289.41 lakhs for the year ended March 31, 2021.

The profit before tax for the year ended March 31, 2022 was ₹1,952.58 lakhs as compared to loss of ₹2,182.56 lakhs for the year ended March 31, 2021. Total Comprehensive profit stood at ₹2,025.71 lakhs for the year ended March 31, 2022 compared to loss ₹2,182.56 lakhs for the previous year.

30. Joint Ventures:

A brief review of the joint ventures of the Company are given here below:

a) Zuari Maroc Phosphates Private Limited:

Zuari Maroc Phosphates Private Limited (ZMPPL), a 50:50 joint venture with Office Cherifien Des Phosphates (OCP) S.A., was established as a Special Purpose Vehicle (SPV) for acquisition of stake in Paradeep Phosphates Limited (PPL). At present, ZMPPL is holding 56.10% of the equity stake in PPL.

ZMPPL's total revenue from operations for the year ended 31st March, 2022 was ₹7,85,871.92 lakhs as against ₹5,16,473.35 lakhs during the previous year.

The profit before exceptional Items and tax for the year ended 31st March, 2022 was ₹53,511.35 lakhs as against profit before exceptional Items and tax of ₹36,665.71 lakhs during the previous year. Profit after tax for the year was ₹39, 854.20 lakhs as compared to profit after tax of ₹22,337.46 lakhs in the previous year.

31. Risk Management

The details pertaining to Risk Management are included in the Corporate Governance Report enclosed as **Annexure 'A'**.

32. Business Responsibility Report:

Pursuant to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the

Business Responsibility Report for the financial year 2021-22 describing the initiatives taken by the Company from environmental, social and governance perspective forms is enclosed as **Annexure 'F'.**

33. Directors' Responsibility Statement:

To the best of our knowledge and belief and according to the information and explanation obtained by us, your Directors make the following statements in terms of provisions of Section 134 (5) of the Companies Act, 2013, and hereby confirm that:

a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation material departures;

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

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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 were operating effectively; and

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

34. Compliance of Secretarial Standards:

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

35. Acknowledgements:

Your Directors wish to place on record their appreciation for the dedication, commitment and contribution of all stakeholders and employees of your Company.

For and on behalf of the Board

Nitin M. Kantak	**N. Suresh Krishnan**
Executive Director	Director
DIN: 08029847	DIN: 00021965

Date : 29th May, 2022

ANNEXURE 'A' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance:

Corporate Philosophy of the Company is to strengthen India's industrial and agricultural base, increasing shareholder value, providing quality fertilisers and other agri inputs, preserving and protecting the environment and ensuring a healthy neighbourhood.

The Company's Philosophy on Corporate Governance envisages an attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and continues with its initiatives towards the best Corporate Governance practices.

2. Board of Directors:

The Board of Directors of the Company comprised of eight members including, the Executive Director and seven Non-Executive Directors as on 31st March, 2022. Half of the Board comprised of Independent Directors and Non-Executive Directors. The other related information concerning the Board is given hereunder.

During the year under review, eight Board meetings were held on 28th May, 2021, 24th June, 2021, 10th August, 2021, 14th August, 2021, 17th September, 2021, 10th November, 2021, 2nd February, 2022 and 23rd February, 2022.

Attendance of each Director at the Board of Directors' meetings and at the last Annual General Meeting (AGM) along with the directorships in other Companies and number of Committees where the Director is a Chairman/Member is given hereunder:

Name of Director	Category of Directorship #	No. of Directorships in other Companies** as on 31-03-2022	No. of Board Meetings Attended	No. of shares held in the Company	Attendance at last AGM	No. of Board Committees of other Companies* as on 31-03-2022	
						Chairman	Member
Saroj K. Poddar	Promoter Group/ Chairman – NED	11	8	179406@	Yes	-	-
Nitin M. Kantak	ED	3	8	1000	Yes	-	-
N. Suresh Krishnan	NED	3	7	NIL	Yes	-	1
Akshay Poddar ^	Promoter Group/ NED	15	7	150585	Yes	1	2
Marco Wadia+	NED / I	13	8	3608	Yes	3	4
Dipankar Chatterji	NED / I	11	7	NIL	Yes	3	1
L. M. Chandrasekaran	NED / I	5	8	NIL	Yes	2	1
Reena Suraiya***	NED / I	1	6	NIL	Yes	-	-

ED-Executive Director, I-Independent, NED-Non-Executive Director.

* Includes Audit Committee and Stakeholders' Relationship Committee in Public Companies.

** Includes Directorship in other public and private companies.

^ Mr. Akshay Poddar is the son of Mr. Saroj K. Poddar.

@ Shares include held in individual capacity and as a trustee.

*** Appointed as Additional Director w.e.f. 24th June, 2021 and regularised as Director on 17th September, 2021.

\+ Ceased to be a Director of the Company w.e.f. 1st April, 2022.

Names of the Listed entities where the Director of the Company is Director on the Board of Listed Entities.

Name of the Director	Name of the Listed Entities where the Director of the Company is Director as on 31-03-2022	Category of Directorship of the Listed Entities where the Director of the Company is Director as on 31-03-2022
Saroj K. Poddar	Chambal Fertilisers And Chemicals Limited	- Non-Executive Chairman
	Texmaco Infrastructure & Holdings Limited	- Non-Executive Chairman
	Texmaco Rail & Engineering Limited	- Executive Chairman
	Zuari Global Limited	– Non-Executive Chairman
Akshay Poddar	Mangalore Chemicals & Fertilizers Limited	Chairman-Non-Executive - Non-Independent Director
	Texmaco Rail & Engineering Limited	Non-Executive Director
	Gobind Sugar Mills Limited*	Chairman-Non-Executive Director
	Texmaco Infrastructure & Holdings Limited	Non-Executive Director
	Adventz Securities Enterprises Limited	Non-Executive Director
Nitin M. Kantak	Mangalore Chemicals and Fertilisers Limited	Non-Executive Director
N. Suresh Krishnan	-	-
L.M. Chandrasekaran	Gobind Sugar Mills Limited*	Non-Executive Independent Director
Marco Wadia	Gobind Sugar Mills Limited*	Non-Executive Independent Director
	Chambal Fertilisers And Chemicals Limited	Non-Executive Independent Director
	Josts Engineering Company Limited	Non-Executive Independent Director
	Stovec Industries Limited	Non-Executive Independent Director
	Zuari Global Limited	Non- Executive Independent Director
Dipankar Chatterji	Nicco Parks & Resorts Ltd.	Non-Executive Independent Director
	Jagaran Microfin Private Limited	Non-Executive Independent Director
	Mangalore Chemicals and Fertilisers Limited	Non-Executive Independent Director
Reena Suraiya	-	-

*Gobind Sugar Mills Limited amalgamated with Zuari Global Limited effective from 30.04.2022

3. Retirement of Directors by rotation and re-appointment:

Mr. Saroj K. Poddar retires by rotation and is eligible for re-appointment.

As per Section 152(6) of the Companies Act, 2013, a brief profile and information about Mr. Saroj K. Poddar is given below:

Mr. Saroj K. Poddar

Mr. Saroj K. Poddar, is the Chairman of our Company and Chairman of the Adventz Group. He holds a bachelor's degree in commerce from St. Xavier's College, University of Calcutta. He has served as the president of the Federation of Indian Chambers of Commerce and Industry and was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Council of N M Rothschild (India) Limited. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes.

Names of the Companies in which Mr. Saroj K. Poddar is a Director as on 31st March, 2022:

Sr. No.	Name of the Companies/ firms		
	Public Limited Companies		**Private Limited Companies**
1.	Chambal Fertilisers And Chemicals Limited	1.	Adventz Finance Private Limited
2.	Lionel India Limited	2.	Hettich India Private Limited
3.	Paradeep Phosphates Limited	3.	Adventz Homecare Private Limited
4.	Texmaco Infrastructure & Holdings Limited	4.	Hepo India Private Limited
5.	Texmaco Rail & Engineering Limited	5.	Forte Furniture Products India Private Limited
6.	Zuari Global Limited		
	Limited Liability Partnership		
1.	Flinta Real Estate LLP		
2.	Adventz Developers LLP		

4. The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board

Sr. No.	Name of Director	Expertise in Specific Functional Areas
1.	Saroj K. Poddar	Business Management
2.	Nitin M. Kantak	Plant Operations, Project Management & Commissioning, Process Engineering, and Technical Services.
3.	Akshay Poddar	Accounting and Finance, Leadership & Strategy
4.	Marco Wadia**	Legal profession having specialised in corporate matters and mergers and acquisitions.
5.	N. Suresh Krishnan	Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development.
6.	Dipankar Chatterji	Chartered Accountant by profession and is an expert in the field of Finance, Taxation, Accounts and Laws
7.	L.M. Chandrasekaran	Production, Technical services, Project Management, Business Development, Factory Operations including Safety, Environment Management, etc.
8.	Reena Suraiya*	Risk Management and administrative skills, Manages the investments of Verve Trading Private Limited in the Indian Financial Markets.
9.	Amandeep***	Risk Management, Finance Skills, Business Management, Leadership Skills

* Appointed as Additional Director w.e.f. 24th June, 2021 and regularized as Director on 17th September, 2021

** ceased to be Director w.e.f. 1st April, 2022

*** Appointed as Additional Independent Director w.e.f 29th May, 2022.

5. Confirmation as regards Independence of Independent Directors:

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and are independent of the management. During the year under review, there were no resignations of the Independent Directors before the expiry of their term.

The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013.

6. Board Agenda:

The Board meetings are scheduled well in advance and the Board members are generally given at least 7 days' notice prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

7. Formal letter of appointment to Independent Directors:

The Company issued a formal letter of appointment to all Independent Directors at the time of appointment in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors is uploaded on the Company's website.

8. Annual Performance evaluation:

Pursuant to the provisions contained in Companies Act, 2013 and Schedule IV (Section 149(8)) of the Companies Act, 2013, the Annual performance evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of all the Committees.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the evaluation of Directors was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business, etc.

The performance evaluation of the Board and the Committees was done by all the Directors. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman, Executive Director, and Non-Executive Directors was carried out by all the Independent Directors. The Directors expressed their satisfaction over the entire evaluation process.

9. Independent Directors' Familiarization Programme:

The Company in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 has formulated a programme to familiarize the Independent Directors with the Company, their roles, and responsibilities. The Independent Directors are given detailed presentation on the operations of the Company on quarterly basis at the meetings of the Board/ Committees. The details of the familiarization programme has been disclosed on the Company's website. The weblink for accessing the familiarization policy is http://www.zuari.in/investor/inv_familiarization_programme

10. Board Diversity Policy:

The Company in compliance with Regulation 19(4) of SEBI (LODR) Regulations, 2015 has formulated a policy on Board Diversity which sets out the framework to promote diversity on Company's Board of Directors. The Policy was recommended by Nomination and Remuneration Committee and approved by the Board.

11. Independent Directors' Meeting:

In compliance with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, 2015, during the year the Meeting of the Independent Directors was held on 29th March, 2022, without the attendance of Non-Independent Directors and members of the Management, inter alia, to discuss the following:

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

12. Board Committees:

The Committees of the Board are as follows:

a) Audit Committee:

The Audit Committee comprises two Independent Directors and one Non -Executive Director as on 31st March, 2022. The permanent invitees include Executive Director, Chief Financial Officer and Head of Internal Audit. The Company Secretary is the Secretary of the Committee. During the year, 8 meetings were held on 12th May, 2021, 28th May, 2021, 14th August, 2021, 17th September, 2021, 10th November, 2021, 2nd February, 2022, 15th March, 2022 and 29th March, 2022.

Terms of Reference

As per Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Schedule II the terms of reference and role of the Audit Committee includes among other things, review of the Company's financial reporting process and its financial statements, review of the accounting and financial policies and practices, the internal control and internal audit systems (including review and approval of Internal Audit plan, appointment of Internal Auditors and review of internal audit reports), risk management policies and practices, review the functioning of the Whistle Blower mechanism, etc. The role also includes making recommendations to the Board, re-appointment of Statutory Auditors and fixation of audit fees.

Besides 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, wherever it is necessary.

The Composition of Committee & their attendance at the meetings are as follows:

Names of the members	Status	Nature of Directorship	No. of meetings attended
Marco Wadia *	Chairman	Non-Executive Independent Director	8
Dipankar Chatterji **	Chairman	Non-Executive Independent Director	-
N. Suresh Krishnan	Member	Non-Executive Director	8
L.M. Chandrasekaran	Member	Non-Executive Independent Director	8
Reena Suraiya ***	Member	Non-Executive Independent Director	-

*upto 29th March, 2022 ** w.e.f. 30th March, 2022

*** w.e.f. 18th May, 2022

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprised three Non-Executive Directors out of which two are Independent Directors as on 31st March, 2022. The Board has designated Mr. Vijayamahantesh Khannur, Company Secretary as Secretary of the Committee. The Committee met 3 times i.e. 24th June, 2021, 12th August, 2021 and 29th March, 2022 during the financial year ended 31st March, 2022.

Terms of Reference:

The Board has constituted the Nomination & Remuneration Committee, as required under the Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination & Remuneration Committee shall also formulate criteria for evaluation of Independent Directors and the Board and devise a policy on Board diversity. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and for removal.

The Composition of Committee & their attendance at the meetings are as follows:

Name of the member	Status	Nature of Directorship	No. of meetings attended
Marco Wadia*	Chairman	Non-Executive Independent Director	3
Dipankar Chatterji**	Chairman	Non-Executive Independent Director	-
Akshay Poddar	Member	Non-Executive Director	2
N. Suresh Krishnan*	Member	Non-Executive Director	2
L.M. Chandrasekaran^	Member	Non-Executive Independent Director	3

* upto 29th March, 2022 ** w.e.f. 30th March, 2022 ^w.e.f. 28th May, 2021

Details of Remuneration to all the Directors for the year:

Payment of remuneration to the Executive Director was as recommended by the Nomination and Remuneration Committee and subsequently approved by the Board and the Shareholders of the Company. The remuneration comprises salary, incentives, bonus, performance incentives and others.

The Non-Executive Directors of the Company were paid remuneration by way of sitting fees.

The details of sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and the Committees and remuneration paid to Executive Director during the financial year ended 31st March, 2022 are given below:

₹In lakhs

Names of Director	Salary including joining bonus	Perquisites	Sitting Fees	Retirement benefits – (Leave encashment)	Total Remuneration
Nitin M. Kantak	101.99	16.15	NIL	5.04	123.18
Saroj K. Poddar	NIL	NIL	4.45	NIL	NIL
Akshay Poddar	NIL	NIL	4.10	NIL	NIL
N. Suresh Krishnan	NIL	NIL	6.70	NIL	NIL
Marco Wadia*	NIL	NIL	7.35	NIL	NIL
Dipankar Chatterji	NIL	NIL	3.65	NIL	NIL
L.M. Chandrasekaran	NIL	NIL	6.75	NIL	NIL
Reena Suraiya	NIL	NIL	3.00	NIL	NIL

*Upto 31st March, 2022.

No commission was paid Mr. Nitin M. Kantak during the financial year.

Mr. Nitin M. Kantak received sitting fees of ₹0.50 lakhs for the financial year 2021-22 from Mangalore Chemicals and Fertilizers Limited.

The term of appointment of Executive Director is 3 years w.e.f. 3rd September, 2020. Notice period for termination of appointment is six months on either side.

No severance pay is payable on termination of the appointment of Executive Director.

Pecuniary relationship of Directors:

During the financial year, none of the Directors of the Company had any material pecuniary relationship(s) or transaction(s) with the Company, its Promoters, its Senior management, its Subsidiaries or Associate Company, apart from the following:

a) Remuneration paid to the Executive Director and Sitting Fees paid to the Non–Executive Directors;

b) Reimbursement of expenses incurred by the Directors in discharging their duties;

c) Professional fees of ₹0.76 lakhs paid to Crawford Bayley & Co during the year. Mr. Marco Wadia is a partner in Crawford Bayley & Co, Solicitors & Advocates, which has professional relationship with the Company. However, this is not material transaction to infringe independence of Mr. Marco Wadia;

d) Mr. Saroj K. Poddar, Mr. Nitin M. Kantak, Mr. Akshay Poddar and Mr. Marco Wadia are holding equity shares of the Company, details of which are given in this Report.

c) Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprised of one Independent Director, one Non-Executive Director and one Executive Director as on 31st March, 2022. The Board has designated Mr. Vijayamahantesh Khannur, Company Secretary as the Compliance Officer. The Committee met once i.e. on 29th March, 2022 during the financial year ended 31st March, 2022.

Terms of Reference:

The Board has constituted Stakeholders' Relationship Committee as required under Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, which oversees the performance of the share transfer work and recommends measures to improve the level of investor services. In addition, the Committee looks into investors' grievances such as non-receipt of dividend, Annual Reports and other complaints related to share transfers etc.

There were three complaints received from the shareholders during the year, which were addressed. There were no outstanding complaints as on 31st March, 2022.

The attendance of the members at the meeting is as follows:-

Name of the member	Status	Nature of Directorship	No. of meetings attended
N. Suresh Krishnan@	Chairman*	Non-Executive Director	1
Marco Wadia **	Member	Non-Executive Independent Director	1
Nitin M. Kantak*	Member	Executive Director	1
Reena Suraiya^^	Member	Non-Executive Independent Director	-

@ re-designated as Chairman w.e.f. 28th May, 2021 *w.e.f. 28th May, 2021 **upto 29th March, 2022 ^^ w.e.f 30th March, 2022

d) Risk Management:

The Company has constituted a Risk Management Committee with the objective to monitor and review the risk management plan for the Company including identification therein of elements of risks, if any, which may threaten the existence of the Company and such other functions.

The role of Risk Management Committee is to formulate a detailed risk management policy, to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, to periodically review the risk management policy, at least once in two years, to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken etc. During the year under review, 2 meetings of the Committee were held on 12th August, 2021 and 8th February, 2022.

The Risk Management Committee consists of the following members:

Names of Members	Status	Nature of Directorships	No. of meetings attended
Nitin M. Kantak	Chairman	Executive Director	2
N. Suresh Krishnan	Member	Non-Executive Director	1
Marco Wadia*	Member	Non-Executive Independent Director	2
Akshay Poddar	Member	Non-Executive Director	1
L.M. Chandrasekaran**	Member	Non-Executive Independent Director	-
Madan Pandey	Member	President-Agri Business	2
Raj Kumar Gupta	Permanent Invitee	Chief Financial Officer	1

*upto 29th March, 2022 ** w.e.f. 30th March, 2022

e) Other Committees

Apart from the above stated Board Committees, the Board has also constituted other committees including Committee of Directors for Banking and Finance, Corporate Social Responsibility (CSR) Committee, Committee of Directors on Farmhub and NCD Committee of Directors. The Committee meetings are held as and when the need arises and at such intervals as may be expedient.

13. Annual General Meetings:

a) Details of the previous three Annual General Meetings (AGM) are as follows:

Year	Location	Date	Time	Particulars of Special Resolution passed
2020-21	Through VC	17-09-2021	4.00 P.M.	1. Waiver of recovery of excess remuneration paid to Mr. Sunil Sethy for the financial year 2020-21
2019-20	Through VC	14-09-2020	11.00 A.M.	1. Continuation of directorship of Mr. Saroj K. Poddar as Non-Executive Director of the Company. 2. Amendment to the Memorandum of Association of the Company. 3. Appointment and Remuneration of Mr. Nitin M. Kantak as Executive Director in the category of Whole Time Director.
2018-19	Jai Kisaan Bhawan, Zuarinagar, Goa – 403 726	06-09-2019	11.30 A.M.	1. Re-appointment of Mr. Marco Wadia as an Independent Director. 2. Re-appointment of Mr. Gopal Krishna Pillai as an Independent Director. 3. Re-appointment of Mr. J.N. Godbole as an Independent Director.

b) Details of the Special Resolution passed through Postal Ballot during the financial year 2021-22:

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	5th March, 2021
Item of Special Resolution passed through the Postal Ballot	Special Resolution for Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited under Section 180 (1) (a) of the Companies Act, 2013
Details of voting pattern	Votes in favour : 3,40,35,519 (98.29) Votes against : 5,92,801 (1.71%) Invalid votes : 0
Name of Scrutinizer for conducting Postal Ballot	Mr. Shivaram Bhat, Practicing Company Secretary
Date of declaration of result and date of approval	8th April, 2021 and 7th April, 2021

c) Details of Special Resolution proposed to be conducted through Postal Ballot

The Board at its meeting held on 29th May, 2022 has approved to seek the approval of shareholders for appointment of Mr. Amandeep as an Independent Director of the Company through Postal Ballot.

14. Disclosures:

Mr. Marco Wadia, is a Partner of Crawford Bayley & Co., Solicitors & Advocates, which has a professional relationship with the Company. The professional fee of ₹0.76 lakhs paid to Crawford Bayley & Co. during the year is not material transaction to infringe on the independence of Mr. Wadia. Accordingly, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives having potential conflict with the interest of the Company.

15. Means of communication:

a. Quarterly Results:

Quarterly results are published in one English National Daily and Local Daily, published in the language of the region where the registered office of the company is located.

b. Website on which the results are displayed:

www.zuari.in.

c. The Company has disclosed official news-releases on its website.

d. During the year, the Company has not made any Presentations to institutional investors and analysts.

16. Code of Conduct for Directors and Senior Executives:

The Company has adopted a Code of Conduct for the Directors and Senior Executives of the Company. The code promotes conducting business in an ethical, efficient and transparent manner so as to meet its obligations to its shareholders and all other stakeholders. The code has set out a broad policy for one's conduct in dealing with the Company, fellow Directors and employees and the external environment in which the Company operates.

The declaration given by the Executive Director of the Company with respect to the affirmation of compliance of the code by the Board of Directors and Senior Executives of the Company is enclosed as **Annexure 'C'** to this report.

17. Code of Conduct for prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading in securities of the Company, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has designated Company Secretary, as the Compliance Officer and has authorised Executive Director to monitor compliance of aforesaid Regulations.

18. General Shareholders Information:

a) Annual General Meeting:

The Annual General Meeting of the Company will be held on Monday, 12th September, 2022 at 3.00 P.M. (IST) through Video Conferencing mode.

b) Financial Year: 1st April to 31st March

c) Financial calendar (Tentative):

Financial Period	Declaration of Financial Results
Results for the quarter ended 30th June, 2022	Within 45 days of the end of the quarter or such prescribed period
Results for the half-year ended 30th Sept. 2022	Within 45 days of the end of the quarter or such prescribed period
Results for the quarter ended 31st Dec. 2022	Within 45 days of the end of the quarter or such prescribed period
Audited Annual Results 2022-23	Within 60 days of the end of the quarter or such prescribed period

d) Date of book closure: N.A

e) Dividend payment date: No dividend is proposed for the financial year 2021-22.

f) Management Discussion and Analysis forms part of this Report as Annexure 'E'

g) Listing on Stock Exchanges: Company's shares are presently listed on:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 001

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), MUMBAI – 400 051

The Company has paid the annual listing fees to the Stock Exchanges for the Financial Year 2021-22.

Stock Code:

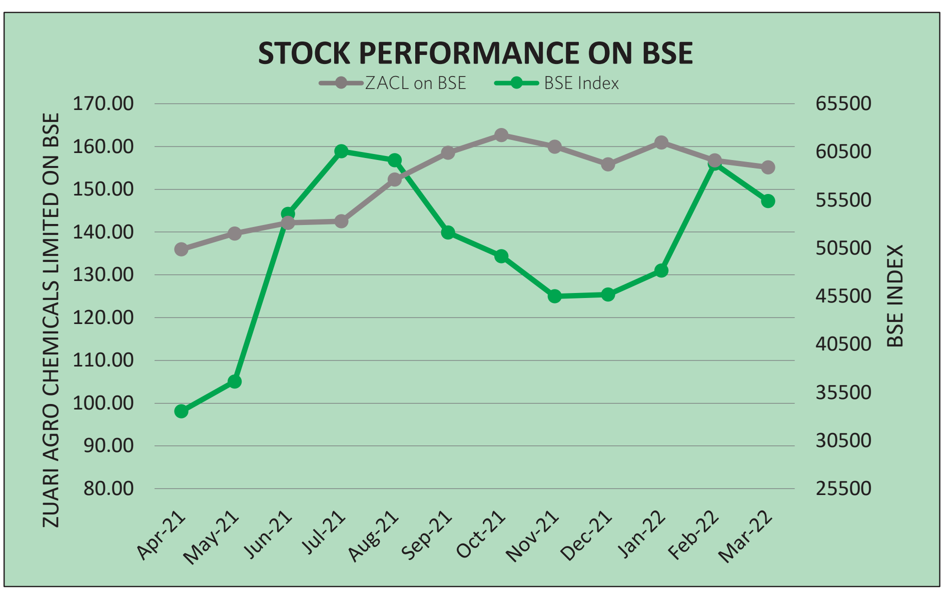
BSE Limited, Mumbai: 534742
The National Stock Exchange of India Limited, Mumbai: ZUARI
International Standard Identification Number (ISIN): INE840M01016

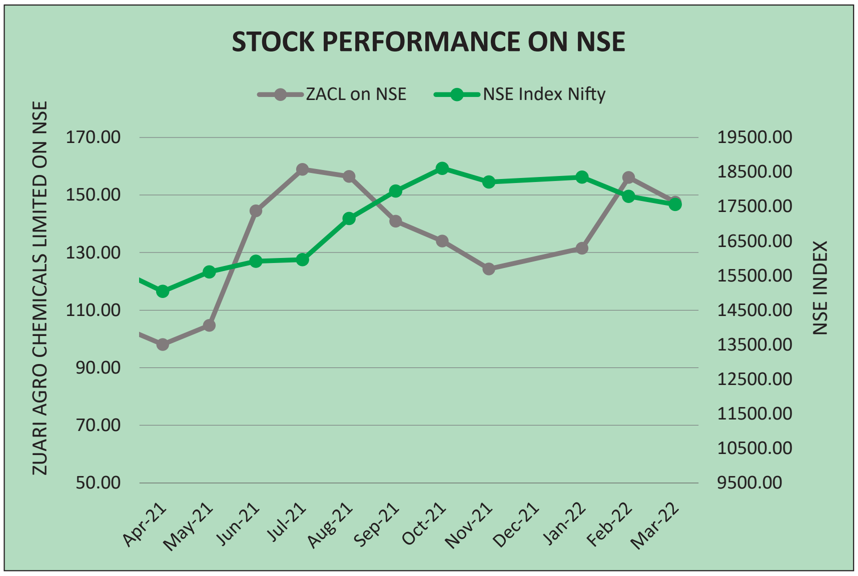
h) Market Place Data:

High/Low share prices at BSE & NSE during each month for the period 1st April, 2021 to 31st March, 2022:

Month	ZACL on BSE		BSE INDEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	98.10	83.30	50375.77	47204.50
May, 2021	105.05	83.70	52013.22	48028.07
June, 2021	144.25	93.00	53126.73	51450.58
July, 2021	158.90	125.00	53290.81	51802.73
August, 2021	156.80	108.55	57625.26	52804.08
September, 2021	139.90	108.00	60412.32	57263.90
October, 2021	134.35	110.90	62245.43	58551.14
November, 2021	125.00	99.95	61036.56	56382.93
December, 2021	125.40	101.50	59203.37	55132.68
January, 2022	131.00	108.10	61475.15	56409.63
February, 2022	156.00	110.95	59618.51	54383.20
March, 2022	147.25	114.50	58890.92	52260.82

Month	ZACL on NSE		NSE INDEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	98.05	82.10	15044.35	14151.40
May, 2021	104.70	85.45	15606.35	14416.25
June, 2021	144.50	92.60	15915.65	15450.90
July, 2021	158.90	125.00	15962.25	15513.45
August, 2021	156.45	108.20	17153.50	15834.65
September, 2021	140.90	109.00	17947.65	17055.05
October, 2021	134.00	111.10	18604.45	17452.90
November, 2021	124.30	101.10	18210.15	16782.40
December, 2021	125.65	102.05	17639.50	16410.20
January, 2022	131.50	107.05	18350.95	16836.80
February, 2022	156.10	110.50	17794.60	16203.25
March, 2022	147.50	114.40	17559.80	15671.45





i) Shareholding as on 31st March, 2022:

a) The distribution of shareholding as on 31st March, 2022 :

No. of shares	No. of shareholders	% of shareholders
Upto 500	26393	91.93
501 - 1000	1119	3.90
1001 - 2000	566	1.97
2001 - 3000	195	0.68
3001 - 4000	93	0.32
4001 - 5000	82	0.29
5001 - 10000	123	0.43
10001 and above	140	0.49
	28711	**100.00**

b) Shareholding Pattern as on 31st March, 2022:

Category	No. of shares held	% share-holding
Promoters/Promoters Group	2,73,56,419	65.04
Banks/Financial Institutions/ Insurance Companies/NBFCs/Non Nationalised banks	2,16,974	0.52
Foreign Portfolio Investors	4,24,689	1.01
Mutual Funds	3,81,818	0.91
NRIs/Foreign bank	1,99,978	0.48
Bodies Corporate	14,76,120	3.51
Unclaimed Suspense Account	14,481	0.03
Central Govt./State Govt.	1,17,275	0.28
Public	1,18,70,252	28.22
TOTAL	**4,20,58,006**	**100.00**

j) The securities of the Company were not suspended from trading during the year.

k) The Company has not issued GDRs/ADRs/ Warrants or convertible instruments during the financial year.

l) Commodity price risk or foreign exchange risk and hedging activities:

As the Company is not engaged in business of commodities which are traded in recognized 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.

m) Dematerialization of shares and liquidity:

4,18,72,820 equity shares (99.56%) have been dematerialized as on 31st March, 2022.

n) Share Transfer System:

With effect from April 01, 2019 except in the case of transmission or transposition of securities, the request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. In addition to that, as per the recent amendments to SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/Exchange of securities certificate; (d) Endorsement; (e) Sub-division/Splitting of securities certificate; (f) Consolidation of securities certificates/

folios; (g) Transmission and (h) Transposition. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

Members holding shares in physical form are requested to dematerialize their physical shares into electronic form by sending demat request to their concerned Depository Participants. Member can contact RTA for assistance in this regard.

o) The Address for correspondence is :

Registrar and Share Transfer Agent:
Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli West
Mumbai 400 083
Tel: 022 – 49186000
Fax: 022 – 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Company's Address:
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa - 403 726.
Tel: 91-0832-2592180
E-mail: shares@adventz.com and/or
investor.relations@adventz.com
Web site: www.zuari.in

The Company maintains an exclusive email id: investor.relations@adventz.com to redress the Investor's Grievances as required under Regulation 13 of SEBI (LODR) Regulations, 2015. The correspondence received under this e-mail id is monitored and addressed on a daily basis.

p) Plant Location:

Urea and complex fertilizer plant, Zuarinagar, Goa – 403726

SSP Fertiliser plant, K-2/5 & K-2/6. MIDC, Mahad, Raigad- 402302

q) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor K P Rao & Co., and S. R. Batliboi & Co. LLP for FY 2021-22 and all entities in the network firm/network entity of which the statutory auditor is a part.

Fees paid by Mangalore Chemicals and Fertilizers Limited to S. R. Batliboi & Co. LLP

Particulars	Fee (₹In lakhs)
Statutory audit fee	22.00
Limited review fee	11.25
Tax Audit fee	-
Other including reimbursement of expenses	6.90
Total	**40.15**

Fees paid by the Company to S. R. Batliboi & Co. LLP

Particulars	Fee (₹In lakhs)
As statutory auditors	
Audit Fees	-
Tax Audit Fees	-
Limited Review fees	7.00
In other capacity	
Certification fees etc.	7.50
Other including reimbursement of expenses	48.83
Total	**63.33**

Fees paid by the Company to K.P. Rao & Co.

Particulars	Fee (₹In lakhs)
As statutory auditors	
Audit Fees	8.50
Tax Audit Fees	3.50
Limited Review fees	5.00
In other capacity	
Certification fees etc.	5.00
Other including reimbursement of expenses	13.16
Total	**35.16**

Fees paid by Zuari Farmhub Limited to K. P. Rao & Co.

Particulars	Fee (₹In lakhs)
Statutory Audit Fee	2.45
Other including reimbursement of expenses	0.65
Total	**3.10**

r) Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee for redressal of complaints against sexual harassment. There was no complaints/cases filed/pending with the Company during the financial year.

s) A certificate 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 enclosed as Annexure 'D'.

t) The board had accepted all recommendation of various committee of the board in the relevant financial year.

u) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015

The Company has not raised any funds through preferential allotment or qualified institutions placements.

v) Credit Rating:

ICRA, vide its press release dated 15th April, 2020 revised rating of Term Loans to [ICRA] B (Stable) from [ICRA] D, Long term Fund Based to [ICRA] B (Stable) from [ICRA] D, Long Term un-allocated limits to [ICRA]B (Stable) from [ICRA] D, Short Term non-fund- based limits to [ICRA] A 4 from [ICRA] D, Short Term un-allocated to [ICRA] A4 from[ICRA] D.

w) Loans and advances given by the Company and its subsidiaries in the nature of loans to firms/companies in which directors are interested by name and amount:

Nil during the Financial Year

x) Disclosures w.r.t. Demat Suspense Account / Unclaimed Suspense Account:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year – **319 shareholders holding 14481 equity shares**

Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - **NIL**

Number of shareholders to whom shares were transferred from suspense account during the year – **NIL**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- **319 shareholders holding 14481 equity shares**

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares - **YES**

y) Other Disclosures:

All transactions entered by the Company with its related parties during the Financial Year 2021-22 were on an arm's length basis. The disclosure of material related party transactions u/s 188 of the Companies Act, 2013 and as per Reg 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Form AOC-2 is enclosed as '**Annexure-K'** of the Directors Report. The Board has approved a policy for related party transactions which can be accessed at the Company's website.: *www.zuari.in*.

i. The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these Authorities.

ii. 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. Company has also adopted Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

iii. The Company has also formulated a Whistle Blower Policy ("Policy") which provides for adequate safeguard against victimisation of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Company has not denied any person from having access to the Chairman of the Audit Committee. Weblink for the policy: http://www.zuari.in/investor/corporate_governance

iv. The Company has a policy for determining 'material' subsidiary and is disclosed on the website. The weblink for the same is: http://www.zuari.in/investor/corporate_governance

v. The Company has Related Party Transaction Policy which is available on the website of the Company. The weblink for the same is: http://www.zuari.in/investor/corporate_governance

z) Non-mandatory Requirement:

The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also following non-mandatory requirements:

i) Sharing the expenses for maintaining the Chairman's Office.

ii) Internal Auditor reports directly to the Audit Committee.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY ZUARI AGRO CHEMICALS LIMITED

To the members of **ZUARI AGRO CHEMICALS LIMITED**

I have examined the compliance with conditions of Corporate Governance by ZUARI AGRO CHEMICALS LIMITED (the Company) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") for the year ended 31st March 2022.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR Regulations. This Certificate is issued pursuant to the requirements of Schedule V (E) of the LODR Regulations.

The compliance with conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures adopted and implementation thereof, by the Company for ensuring compliance with the condition of Corporate Governance under LODR Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Shivaram Bhat
Practising Company Secretary
ACS No. 10454 & CP No. 7853, PR 1775/2022
UDIN: A010454D000422426

Place: Panaji, Goa.
Date : 29th May, 2022

ANNEXURE 'C' TO THE DIRECTORS' REPORT

DECLARATION BY THE EXECUTIVE DIRECTOR

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Nitin M. Kantak, Executive Director of Zuari Agro Chemicals 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 2021-22.

Date : 29th May, 2022

Nitin M. Kantak
Executive Director
DIN: 08029847

ANNEXURE 'D' TO THE DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan, Zuarinagar, Goa

I have examined the relevant registers, records, forms, returns and disclosures received from Directors of **Zuari Agro Chemicals Limited** having CIN L65910GA2009PLC006177 and having registered office at Jai Kisaan Bhawan, Zuarinagar, Goa (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	Saroj K. Poddar	00008654	20/05/2011
2	Akshay Poddar	00008686	14/11/2011
3	Narayanan Suresh Krishnan	00021965	10/09/2009
4	Reena Suraiya	01824778	24/06/2021
5	Dipankar Chatterji	00031256	14/02/2020
6	Lingapuram Chandrasekaran Madhyagowder	01245052	27/06/2020
7	Nitin Manguesh Kantak	08029847	03/09/2020
8	*Marco Wadia	00244357	20/05/2011

*Mr. Marco Wadia (DIN:00244357) who was appointed as an Independent Director, has completed his tenure and ceased to be the Director of the Company w.e.f. close of business hours on 31-03-2022

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.

Shivaram Bhat
Practising Company Secretary
ACS No. 10454, CP No. 7853, PR 1775/2022
UDIN: A010454D000422404

Place: Panaji, Goa
Date : May 29th, 2022

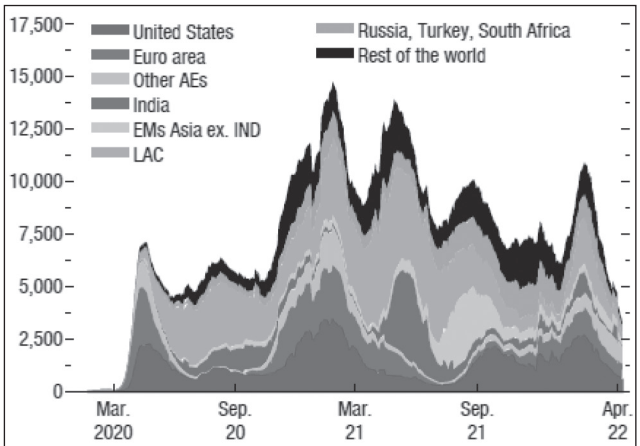
ANNEXURE 'E' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors is pleased to present the business analysis and outlook of Zuari Agro Chemicals Limited (ZACL) based on the current government policies and market conditions. The company is into manufacturing and selling fertilisers as well as trading in agri inputs.

GLOBAL ECONOMIC BACKDROP:

Over the past 2 years, the world has been defending itself against the pandemic. With the reduction in COVID-19 related deaths, the world labour market began reverting to normalcy.



Sources: Our World in Data; and IMF staff calculations.
Note: Data as of April 8, 2022. Economy group and regional classifications are those in the *World Economic Outlook*. Other advanced economies in terms of International Organization for Standardization (ISO) country codes are AUS, CAN, CHE, CZE, DNK, GBR, HKG, ISL, ISR, JPN, KOR, MAC, NOR, NZL, SGP, SMR, SWE, TWN. AEs = advanced economies; EMs Asia ex. IND = emerging Asia excluding India; LAC = Latin American and the Caribbean economies.

[Confirmed Covid-19 deaths (Persons, 7 day moving average)]

However, this new rigor in the manufacturing and service industries, resulted in requirement of funds already eroded by necessary higher Covid-19 related spending and lower tax revenues in 2020-21.

The resultant slowdown in global activity is visible in the fall in industrial production and Purchasing Manager Index after a brief upsurge. While the industrial production in 2021 shows an initial increment, it quickly dropped in the latter half of the year. Similarly, the manufacturing PMI and services PMI displayed an expansion in the same period but ended up with contraction eventually due to economic limitations.

As per "World Economic Outlook – Apr 2022" published by IMF, there are five principal factors that would forge the short term future of the world economy.

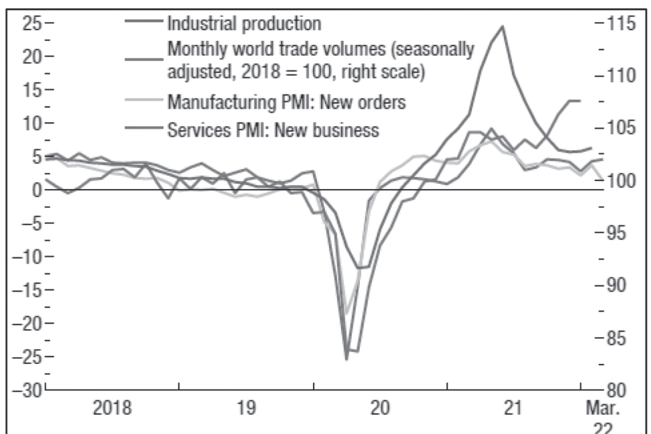
i. **Pandemic and vaccine shortages:** While the world is witnessing a decline in COVID-19 related deaths and the restrictions being eased, it is estimated that most countries will not attain the target of 70% full vaccination in 2022. Assuming the virus does not mutate into new strains, renewed outbreaks may not have similar impacts as in the past.

ii. **China's Slowdown:** China's zero-COVID strategy has led to more frequent lockdowns and tighter restrictions in movement. Industrial production has been direct casualty to this strategy resulting in decline in domestic production and exports.

iii. **Fiscal Withdrawal:** Emergency spending, in controlling the pandemic spread and welfare support to people has eroded the reserves in many countries. This, in addition to drop in tax revenues in FY2020-21 has pressed governments in raising borrowing costs and re-establish buffers.

iv. **Monetary Tightening and Financial Market volatility:** Falling supplies, rising costs and declining tax revenues have mandated the central banks to tighten the monetary policies. This has resulted in rapid increase in nominal interest rates across advanced economy sovereign borrowers.

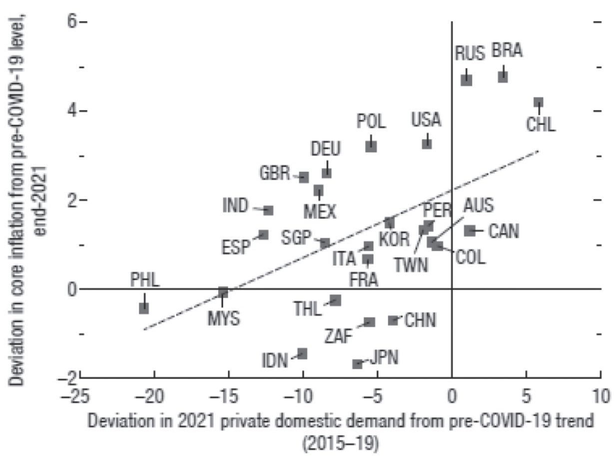
v. **Russia – Ukraine Conflict:** Adding fuel to fire, in the ongoing fiscal war against the ramifications of COVID-19 pandemic, the conflict in the Eurasian region has resulted in loss in trade opportunities (with USA and EU sanctions in place), steep rise in global commodity prices and labour supply, in addition to unfortunate loss of lives.



Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff calculations.
Note: Units for industrial production are annualized percent change. For PMIs, units are deviation from 50. PMI above 50 indicates expansion, below 50 indicates contraction. PMI = purchasing managers' index.

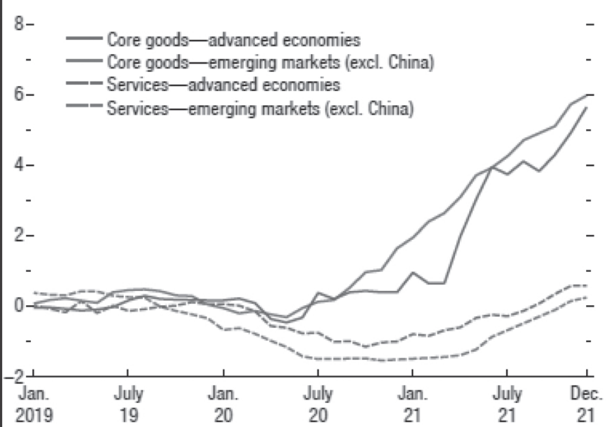
Global Activity Index (3 month moving average)

With the COVID-19 restrictions easing off, the world experienced a rapid growth in demand in 2021. This upsurge in demand put strain on the existing supply chain bottlenecks. As a result, the core inflation (excluding food and energy prices) surpassed pre-pandemic rates across most economies, rising most where recoveries have been strongest.



Sources: Haver Analytics; and IMF staff calculations.
Note: Core inflation is headline consumer price inflation excluding food and energy. Private domestic demand is private consumption plus private gross fixed capital formation (GFCF) (or total GFCF if private unavailable). Average over 2021 data available. Data labels use International Organization for Standardization (ISO) country codes.

Core inflation vs Private Domestic Demand (Percent)

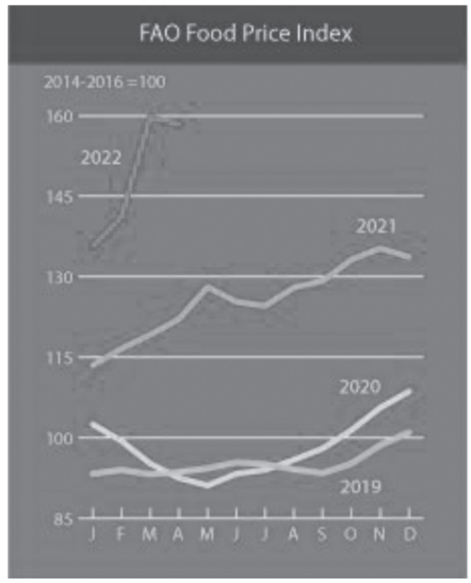


Sources: Haver Analytics; and IMF staff calculations.
Note: Lines show the difference between the year-over-year percentage change in price indices each month and the average observed during 2018 and 2019 for each sector. Core goods exclude energy and food. Countries are aggregated using purchasing-power-parity weights. Advanced economies include United States, Euro Area, Japan, Korea, Canada, and Australia. Emerging markets include Indonesia, Malaysia, Brazil, Mexico, Colombia, Chile, Russia, and South Africa.

Goods and Services Inflation (Deviation from Pre-COVID-19 averages, Percent)

i) World Agriculture Outlook

The Food and Agriculture Organisation (FAO) released FAO Food Price Index (FFPI) on 6th May '22 averaging 158.5 points in April 2022, down 1.2 points (0.8 percent) from the all-time high reached in March, though still 36.4 points (29.8 percent) above its value in the corresponding month last year. The drop in the FFPI in April was led by a significant downturn in the vegetable oil sub-index, along with a slight decline in the cereal price sub-index. Meanwhile, sugar, meat and dairy price sub-indices sustained moderate increases.



Source: https://www.fao.org/worldfoodsituation/foodpricesindex/en/

The FAO Cereal Price Index averaged at 169.5 points in April, down by 0.7 points (0.4%) from the record high reached in March (since 1990). After surging to a record level in March, international coarse grain prices dropped by 1.8% in April, led by a 3.0% decline in maize prices, as seasonal supplies from ongoing harvests in Argentina and Brazil helped ease the pressure on markets. World sorghum prices also declined in April by 0.4%, while tight supplies pushed barley prices up by 2.5%. International wheat prices edged upwards in April, albeit marginally, gaining 0.2%. Continued blockage of ports in Ukraine and concerns over 2022 crop conditions in the United States of America kept prices elevated, but the price increases were moderated by larger shipments from India, higher-than expected exports from the Russian Federation, and slightly dampened global demand as a result of high prices. International rice prices in April went up 2.3% from their March levels, sustained by a combination of strong local demand in various Asian exporters, purchases by Near Eastern and Chinese buyers and weather setbacks in the Americas.

The FAO Vegetable Oil Price Index averaged 237.5 points in April, shedding 14.3 points (5.7%) from the record high registered in March, but remaining markedly above its year-earlier level. The decline was driven by lower world prices of palm, sunflower and soy oils, which more than offset higher rapeseed oil quotations. International palm oil prices dropped moderately in April, mainly weighed by subdued global import purchases amid high costs as well as a weakening demand outlook in China. Nevertheless, uncertainties about export availabilities out of Indonesia, the world's leading palm oil exporter, contained further declines in international prices. In the meantime, world sunflower and soy oil prices also fell month-on-month, largely tied to demand-rationing following the record high prices seen lately. By contrast, rapeseed oil prices stayed firm in April, sustained by lingering global supply tightness.

The FAO Dairy Price Index averaged 147.1 points in April, up 1.3 points (0.9%) from March, marking the eighth consecutive monthly increase and lifting the index 28.0 points (23.5%) above its value a year ago. In April, the upward trend of dairy product prices continued, driven by the persistent global supply tightness, as milk output in Western Europe and Oceania continued to track below their seasonal levels. International quotations for butter rose the most, reflecting tight supplies, including low inventories, especially in Western Europe, amidst a surge in demand for near-term deliveries, partly induced by the current shortage of sunflower oil and margarine. Despite a decline in foreign purchases, sustained internal demand and low inventories in Europe provided support to world skim milk powder and cheese prices. By contrast, whole milk prices fell moderately, mainly due to a demand slowdown in China.

The FAO Meat Price Index* averaged 121.9 points in April, up 2.7 points (2.2%) from March and setting a new record high. The continued price strength stemmed from higher world poultry, pig and bovine meat prices. The poultry meat price increase was driven by solid demand amidst tight global supplies, reflecting disruptions to exports from Ukraine and rising avian influenza outbreaks in the Northern hemisphere. Meanwhile, pig meat prices rose further, although less steeply than in March, on the prolonged low supply of slaughter pigs in Western Europe and high internal demand in large producing countries. World bovine meat prices increased moderately, reflecting high export volumes from Brazil, despite the low slaughter cattle supply. With this increase, bovine meat prices reached a new record high. Regarding ovine meat, the pandemic-related lockdowns and port delays in China eased the country's meat purchases, pushing prices marginally lower.

The FAO Sugar Price Index averaged 121.8 points in April, up 3.9 points (3.3%) from March, marking the second consecutive monthly increase and reaching levels more than 20% above those registered in the corresponding month last year. Higher ethanol prices in Brazil, coupled with the sustained strengthening of the Brazilian Real against the US dollar, continued to underpin the increase in world sugar prices. Additional support was provided by concerns over the slow start of the 2022 harvest in Brazil. However, larger-than-previously-anticipated availabilities in India, a major sugar exporter, bolstered the global supply outlook and prevented more substantial price increases.

Source: https://www.fao.org/worldfoodsituation/foodpricesindex/en/

Rice, consistent with the generally conducive weather conditions prevailing over the season, somewhat higher reported yield outcomes raised production expectations. Put together, these changes raised FAO's forecast for world rice production by a small margin of 0.4 million tonnes to 520.8 million tonnes (milled basis), which represents a 0.7% increase from the 2020 harvest and a new record high.

Global wheat output is pegged at 777 million tonnes, virtually on par with the crop produced in 2020. The forecast for world wheat production in 2022 has been scaled back moderately since the previous month, but standing at 782 million tonnes, FAO still predicts global wheat production to grow this year. The month-to-month reduction mostly concerns the United States of America, where persisting drought conditions have impaired yield prospects of the winter wheat crop and curbed overall production expectations. However, underpinned by a price-driven expansion in planted area, the country's total wheat output is still foreseen to increase to 50 million tonnes in 2022, about 5 million tonnes (11%) above the previous year's output.

In Europe, the forecast for wheat production in Ukraine remains unchanged and at a below-average level, reflecting the effects of the conflict that are foreseen to reduce the harvested area by at least 20%. Yields are also expected to decline in 2022 due to conflict-related disruptions to agricultural operations prior to the harvest period. The outlook in the Russian Federation remains broadly favourable, as conducive weather conditions continue to point to an upturn in yields that underlie the forecasted production increase in 2022. In the European Union, the forecast for wheat production has been raised to 139.5 million tonnes this month on account of recent official data indicating a small year-to-year increase in wheat sowings, compared to earlier expectations.

In South America, official data affirm expectations that Brazil will harvest a record maize crop in 2022, forecast at 116 million tonnes, driven by record-high plantings. In Argentina, dry weather conditions are likely to reduce yields and result in a moderate cutback in production to about 57 million tonnes; however, the harvest is still anticipated at an above-average level. In Southern Africa, despite the impact of floods in eastern parts of South Africa, the leading producer and exporter in the region, maize production is still pegged at an above-average level of 15.3 million tonnes in 2022.

World wheat market						
	2017-18	2018-19	2019-20	2020-21 Estimate	2021-22 Forecast	
					Previous (08 Apr 2022)	**Current (06 May 2022)**
	(........ million tonnes........)					
Production 1/	761.5	731.4	759.8	776.7	776.5	**776.6**
Supply 2/	1,027.4	1,020.5	1,033.7	1,057.5	1,065.5	**1,068.7**
Utilization	738.7	750.1	749.8	759.8	770.4	**765.2**
Trade 3/	177.8	168.6	183.8	189.2	189.8	**191.0**
Ending Stocks 4/	289.2	273.9	280.9	292.1	295.6	**304.3**
	(........ percent ....)					
World stock-to-use ratio	38.5	36.5	37.0	38.2	37.7	**39.0**
Major exporters' stock-to-disappearance ratio 5/	21.0	18.1	15.5	15.5	17.2	**17.3**

World Wheat Market Forecast

Based on IFA's network of country correspondents, global fertilizer demand is expected to contract by 3% (5.5 million tonnes nutrients) to 198.2 million tonnes in 2021/22. Demand is expected to drop for all three nutrients, with nitrogen (- 2.1%) relatively less affected than phosphorous (-3.3%) and potash (-3.9%). The main factor behind this expectation for lower demand is reduced fertilizer affordability. International prices of urea, DAP and MOP rose sharply between late 2020/early 2021 and October 2021, much faster than crop prices.

Most regions are expected to reduce their demand for fertilizers in the fertilizer year 2021/22, driven by East Asia (-1.9 million tonnes or -3%), North America (-1.6 million tonnes or -6%), South Asia (-1.4 million tonnes or -3.5%) and WCE (-1.1 million tonnes or -6%). One notable exception is Latin America, where demand is expected to continue growing by 1.6 million tonnes (+6%), led by Brazil.

Global Mineral Fertilizer Demand (Mt nutrients)				
	N	P_2O_5	K_2O	Total
2018-19	105.6	45.5	37.1	188.2
2019-20	108.2	46.5	37.0	191.8
2020-21 (f)	113.7	49.7	40.4	203.8
Change	*+5.0%*	*+6.8%*	*+9.1%*	*+6.3%*
2021-22 (f)	111.3	48.0	38.9	198.2
Change	*-2.1%*	*-3.3%*	*-3.9%*	*-2.7%*
2022-23 (f)	114.0	49.5	40.3	203.9
Change	*+2.4%*	*+3.1%*	*+3.8%*	*+2.9%*

"Short-Term Fertilizer Outlook 2021-2022", Market Intelligence Service, IFA

According to Short-Term Fertilizer Outlook 2020-21 published in November 2020 by IFA, the global fertilizer demand is expected at 189.8 million tonnes in 2019-20 against earlier prediction of 186.8 million tonnes. The recovery in demand is led by India which experienced good monsoon and abundant rainfall.

FAO forecasts Ammonia capacity to approach 190 million nutrient tonnes by 2022. This is driven by capacity additions in two core groups of countries. The first is export-orientated projects in countries such as Nigeria and Brunei. The second is import-replacement projects, for which India is the leader with 1.8 million nutrient tonnes of capacity forecast to commission in 2022.

FAO also forecasts global phosphoric acid capacity to grow to 60.9 million tonnes P2O5 in 2022. Three projects, in Russia, Morocco and Tunisia, are forecast to add 0.805 million tonnes of new phosphoric acid capacity in P2O5. The same projects are forecast to add 3.8 million tonnes of processed phosphates capacity in product tonnes.

Potash capacity are forecast to increase by 3.1 million nutrient tonnes to 66 million nutrient tonnes, between 2020 and 2022, primarily stemming from expansions in the Eastern Europe and Central Asia region. These projects will increase global potash capacity to almost 66 million nutrient tonnes.

Medium Term Outlook 2021-25 by IFA published in August 2021, the annual growth in global fertilizer demand is expected to remain around 1% between 2021-22 and 2025-26, with a slightly declining trend over the last three years of the period. Growth rates are expected to be slightly higher for K2O than for P2O5 and N. These expectations translate into a gain of 8 million nutrients tonnes between 2021-22 and 2025-26. Global fertilizer use is forecast to reach 208 million nutrients tonnes by 2025-26.

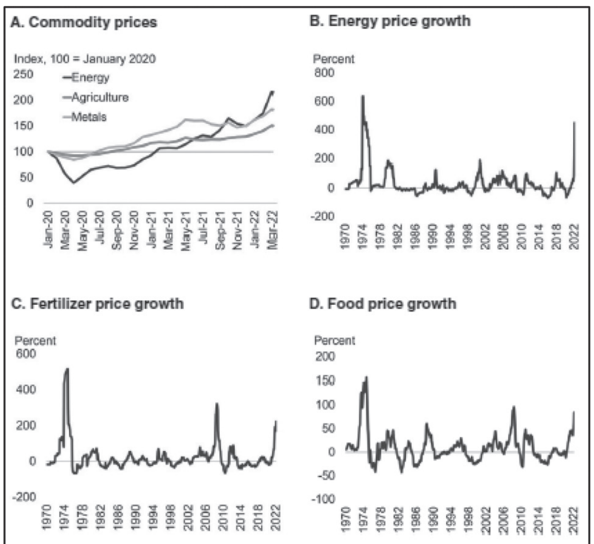
ii) Commodity prices

Global Commodity Prices:

As per World Bank forecast "Commodity Markets Outlook" published in Apr 2022, for most commodities, prices are expected to be significantly higher in 2022 than in 2021 and to remain high in the medium term. Brent crude oil averaged $116/bbl in March 2022, an increase of 55% compared with December 2021 and its highest level since 2013. Non-energy prices are expected to rise by about 20% in 2022, with the largest increases in commodities where Russia or Ukraine are key exporters. Wheat prices, in particular, are forecast to increase by more than 40% this year, reaching an all-time high in nominal terms.

Natural gas prices in Europe reached an all-time high in March, reflecting fears of disruption to imports from Russia.

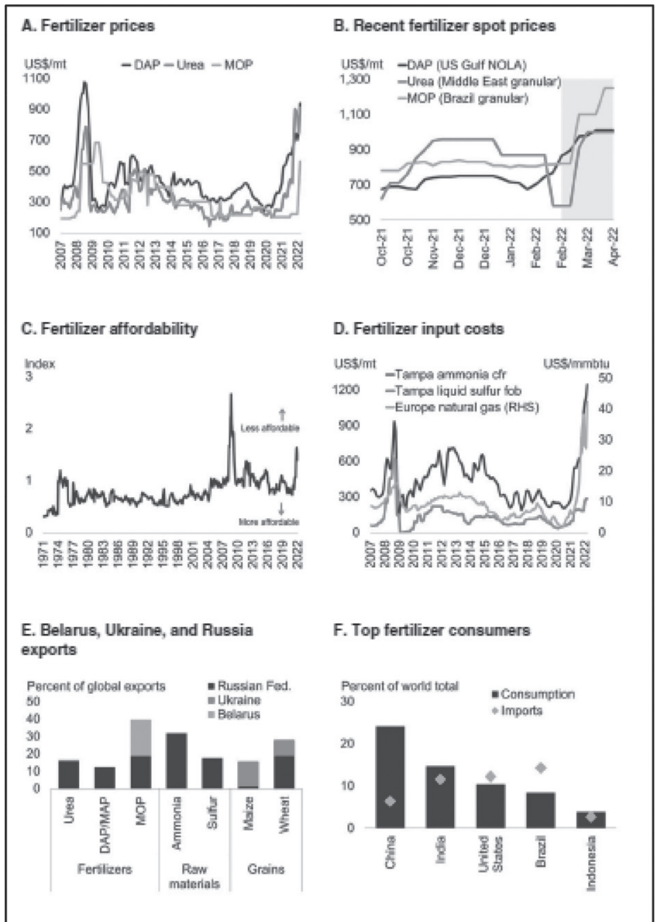
Among agricultural commodities, wheat prices saw a very steep increase, and were almost 30% higher in March compared to December 2021. In contrast, rice prices saw only a modest increase, reflecting ample supplies in China and India. Fertilizer prices also increased sharply during Q1'2022, partly reflecting the surge in natural gas and coal prices, as both are key inputs into fertilizer production.



Source: World Bank.
Note: All prices in U.S. dollar terms.
A. Monthly data. Last observation is March 2022.
B.-D. Charts show the percent change in monthly price indices over a 23-month period. This facilitates comparison of the April 2020 trough with the most recent data (March 2022). Due to data limitations, prior to 1979 the energy price change is proxied using the crude oil price change.

Global Fertilizer Commodity Prices:

The World Bank's Fertilizer Price Index rose nearly 10% in the first quarter of 2022 (q-o-q) to an all-time high in nominal terms. The increase follows last year's 80% surge due to supply disruptions, soaring input costs, and trade restrictions in China and Russia. The Ukraine war threatens further disruptions, as Russia and Belarus are major producers and exporters of fertilizers and their main input, natural gas. Fertilizer prices are projected to rise by almost 70% in 2022 before easing in 2023.



Sources: Bloomberg; Food and Agriculture Organization; International Fertilizer Association; U.S. Department of Agriculture; World Bank.
A.B.E. DAP = diammonium phosphate; MOP = muriate of potash.
A.C.D. Last observation is March 2022.
B. Shaded area represents the period after Russia's invasion of Ukraine. Last observation is the week of April 8, 2022.
C. Ratio of World Bank's fertilizer price index to food price index. A higher ratio represents lower fertilizer affordability, and vice versa.
D. cfr = cost and freight; fob = free on board.
E. Data for 2019, except grains (2020).
F. Sum of all nitrogen, phosphates, and potash fertilizers. Data for 2019.

Fertilizer Market Development

Nitrogen (urea) prices surged following Russia - Ukraine conflict to levels well above the peaks during the 2008 global food price crisis. The price surge, which began last year, also reflects production cuts in response to sharply rising raw material costs and trade policies. Production cuts have been pronounced in Europe due to soaring prices for natural gas. In China, rising coal prices and power rationing forced fertilizer producers to cut production and exports as well, the latter to ensure domestic availability. Russia also temporarily banned exports of ammonia nitrate, a high nitrogen-rich fertilizer. While demand is under increasing pressure, soaring prices are likely to bring online significant volumes of new capacity, including in Brunei Darussalam, India, and Nigeria. Urea prices are projected to gain more than 75% in 2022, and ease in 2023 as new production from Brunei, Nigeria and India comes online, but will likely remain at historically high levels for as long as coal and natural gas prices remain elevated.

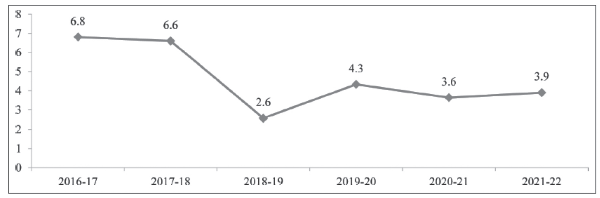
MOP (muriate of potash, or potassium chloride) prices jumped nearly 80% in Q1'2022 following the recent contract settlement by Chinese and Indian importers at $590/MT through CY 2022. Global spot prices have more than doubled to record-high levels in the past year. The price surge has been driven by sanctions last year on Belarus as well as supply disruptions and difficulties shipping through Black Sea ports since Russia's invasion of Ukraine. Belarus and Russia together account for 40% of global potash exports. In addition to the sanctions, on 1st February 2022, Lithuania halted the use of its railways' network to transport Belarusian potash to the port of Klaipeda, which typically handles 90% of Belarus's exports. Although some shipments apparently have been rerouted to Russia, it is difficult for Belarus to ship significant volumes. Elsewhere, shortages have been aggravated by a rail strike in Canada due to a labour dispute. Potash prices are projected to average 1.5 times higher in 2022 than in 2021 and remain elevated in 2023 unless supply returns to international markets from Russia and Belarus.

DAP (diammonium phosphate) prices continued to rise in Q1'2022, up 11% (q-o-q), following large increases throughout 2021. Prices at end-March were more than four times higher than at the start of 2020. Rising input costs, particularly for ammonia and sulphur, have contributed to the price rise. Russia is the world's second largest exporter of both ammonia and sulphur but, since the beginning of the war in Ukraine, has struggled to maintain shipments. China, which accounts for 30% of global phosphate trade, has introduced an export ban through at least June 2022 while Russia has imposed an export ban on ammonia nitrate, a key input to the manufacture of DAP. Following a near doubling in 2021, DAP prices are projected to increase further by 50% in 2022 before moderating in 2023 as production bottlenecks and trade restrictions are eased.

iii) Indian Agriculture

The agriculture sector has experienced buoyant growth in the past two years. The sector, which is the largest employer of workforce, accounted for a sizeable 18.8 per cent (2021-22) in Gross Value Added (GVA) of the country registering a growth of 3.6 per cent in 2020-21 and 3.9 per cent in 2021-22. Growth in allied sectors including livestock, dairying and fisheries has been the major drivers of overall growth in the sector.

Figure 1: Growth of Agriculture and Allied Sectors (per cent)

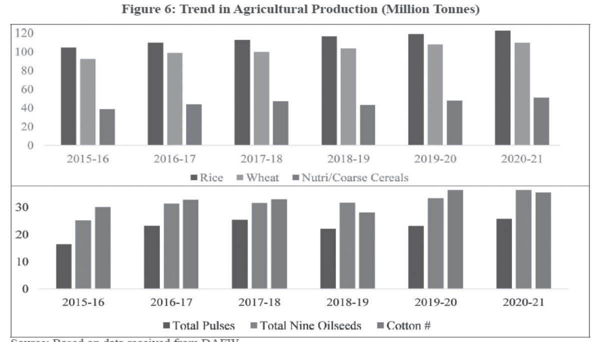


Source: First Advance Estimates of National Income, 2021-22

Market Size

As per Fourth Advance Estimates for 2020-21, total foodgrain production in the country is estimated at a record 308.65 million tonnes which is 11.15 million tonnes higher than that during 2019-20. The production of rice, wheat and coarse cereals has increased at compound annual growth rates (CAGR) of 2.7, 2.9 and 4.8 per cent respectively during last six years i.e. 2015-16 to 2020-21. The CAGR for pulses, oilseeds and cotton has been 7.9, 6.1 and 2.8 per cent, respectively during the same period. Figure 6 depicts the trend in agricultural production over the past six years.

Figure 6: Trend in Agricultural Production (Million Tonnes)



Source: Based on data received from DAFW.
Million bales of 170 kg each.

As per the second advance estimates of production of major Kharif crops for 2021-22 of GOI, there is an increase in the production of food grains, pulses, sugarcane whereas there is a decrease in the production of oilseeds and cotton as compared to target 2021-22. Details as follows.

Particulars	Unit of Measurement	Target 2021-22	2nd Advance Estimates of 2021-22
Total Food grains	million tonnes	310.74	316.06 ↑
Total Pulses	million tonnes	25.46	26.96 ↑
Total Oilseeds	lakh tonnes	384.01	371.47 ↓
Sugarcane	lakh tonnes	3970.00	4140.44 ↑
Cotton	lakh bales of 170 kg each	370.00	340.63 ↓

The Department of Agriculture and Farmers Welfare released the Final Estimates of 2020-21 and First Advance Estimates of 2021-22 of Area and Production of various Horticultural Crops compiled on the basis of information received from States/UTs and other Governmental source agencies.

Total Horticulture	2019-20 (Final)	2020-21 (Final)	2021-22 (1st Advance Estimates) compared to 2020-21 (Final)
Area (In Million Ha)	26.48	27.48	27.56 ↑
Production (In Million Tonne)	320.47	334.60	333.25 ↓

Production of oilseeds: The production of oilseeds in the country has been increased substantially during last three years from 31.52 million tonnes in 2018-19 to 37.15 million tonnes in 2021-22 (2nd Advance Estimates, Directorate of Economics and Statistics). Details of production of oilseeds during last three years and current year are as under:

Year	Production (Million Tonnes)
2018-19	31.52
2019-20	33.22
2020-21	35.95
2021-22 *	37.15

* 2nd Advance Estimates, Directorate of Economics and Statistics.

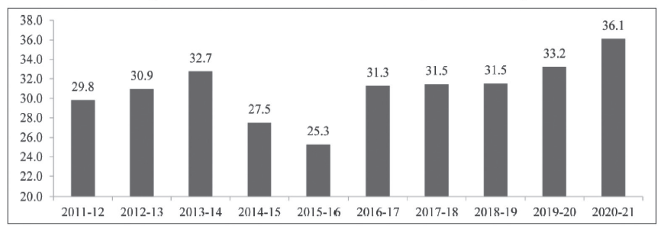
The estimated production of soybean, as per 2nd Advance Estimates of Directorate of Economic and Statistics, is 13.12 million tonnes during 2021-22 compared to the production of 12.61 million tonnes during 2020-21. The Government has been implementing a Centrally Sponsored Scheme, National Food Security Mission-Oilseeds & Oil palm (NFSM-OS&OP) from 2018-19 onwards to increase the production and productivity of oilseeds in the country. Now the Government has launched a separate Mission for Oil Palm namely National Mission on Edible Oils (Oil Palm) - NMEO (OP) in 2021-22. Both NFSM - Oilseeds and NMEO (OP) are being implemented in the country with the objective of augmenting the availability of edible oils by increasing the production and productivity of oilseeds & oil palm and reducing the import burden.

Edible Oils:

India is one of the major oilseeds growing country. As may be seen from the Figure 7, the oilseed production in India has steadily increased since 2016-17 onward after showing a fluctuating trend prior to that. The oilseed production in India has grown by almost 43 per cent from 2015-16 to 2020-21. The oil production in India has however lagged behind its consumption necessitating import of edible oils (Figure 8).

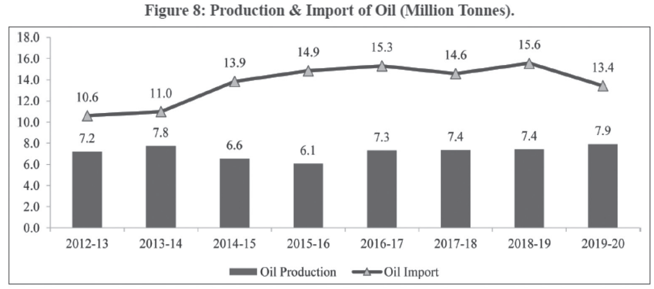
India is the world's second largest consumer and number one importer of vegetable oil. As urbanisation increases in developing countries, dietary habits and traditional meal patterns are expected to shift towards processed foods that have a high content of vegetable oil. Vegetable oil consumption in India is, therefore, expected to remain high due to high population growth and consequent urbanisation. As per the OECD-FAO Agricultural Outlook 2021-2030, India is projected to maintain a high per capita vegetable oil consumption growth of 2.6 per cent per annum reaching 14 kg/capita by 2030 necessitating a high import growth of 3.4 per cent per annum.

Figure 7: Trend in Production of Oilseeds (Million Tonnes)



Source: Based on data of 4th Advanced Estimates as on Directorate of Economics & Statistics Website.

Figure 8: Production & Import of Oil (Million Tonnes).



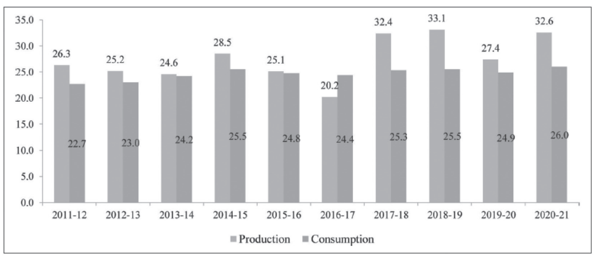
Source: Based on data of Agricultural Statistics at Glance, 2020.

Sugar Sector:

Significance of sugarcane and sugar industry for India's economy can be gauged from the fact that it is the country's second largest agro-based industry, next to cotton. It impacts the livelihood of over 5 crore farmers and their dependents. India is the largest consumer and the second-largest producer of sugar in the world. Average annual production of sugarcane is around 35.5 crore tonnes which is used to produce around 3 crore tonnes of sugar. The domestic consumption is estimated to be around 2.6 crore tonnes in 2020-21. Over the years, India has become a sugar surplus nation as reflected from the trend of sugar production and consumption in Figure 10. Since 2010-11, production has outstripped consumption except in 2016-17. This has been possible because of various measures undertaken by Government. For example, the interest of the farmers is protected by Fair and Remunerative Price (FRP) which has doubled in a span of ten years. In addition, some state governments announce State Advised Price (SAP) at levels higher than FRP. Additionally, sugar mills that buy sugarcane are mandated to purchase crops from farmers within a specified radius known as the Cane Reservation Area. In this way, sugarcane farmers are insured and protected against price risk. Moreover, in order to handle the surplus production and enhance liquidity of mills, the

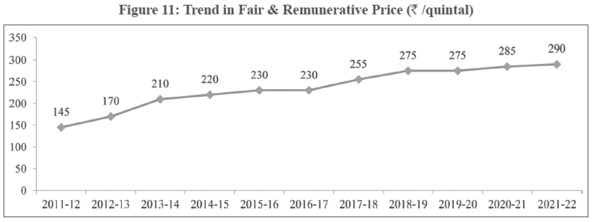
Government has taken various steps such as incentivising sugar mills to divert excess sugarcane/sugar to ethanol production, providing financial assistance for transport to sugar mills to facilitate export of sugar, etc. About 70 LMT of sugar has been exported in sugar season 2020-21 in comparison to 59.60 LMT of sugar export in sugar season 2019-20. Further, contracts of about 30 LMT for export of sugar have already been signed in the sugar season 2021-22. Moreover, in the past four sugar seasons ending 2020-21, revenue of about ₹35000 crore has been generated by sugar mills/distilleries from sale of ethanol to Oil Marketing Companies which has helped in clearing cane price arrears of farmers.

Figure 10: Production and Consumption Levels of Sugar (Million Tonnes)



Source: Based on data of CACP Report on Sugarcane.

Figure 11: Trend in Fair & Remunerative Price (₹ /quintal)



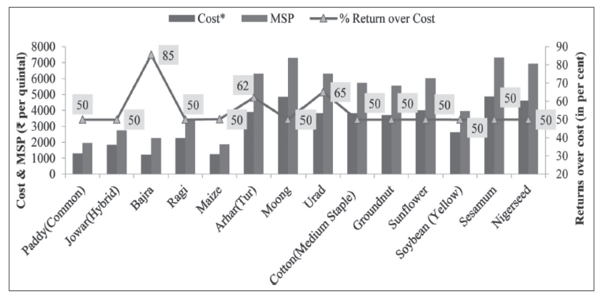
Source: Based on data of CACP website.

Price Policy: Minimum Support Price (MSP):

The Government's price policy for major agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and thereby to safeguard the interest of consumers by making available supplies at reasonable prices. The Government fixes MSP of 22 mandated agricultural crops on the basis of the recommendations of Commission for Agricultural Costs & Prices (CACP) and after due consideration of the views of State Governments and the concerned Central Ministries/Departments. The 22 mandated crops include 14 Kharif crops viz. paddy, jowar, bajra, maize, ragi, tur (arhar), moong, urad, groundnut, soybean (yellow), sunflower seed, sesamum, nigerseed, cotton and 6 Rabi crops viz. wheat, barley, gram, masur (lentil), rapeseed and mustard, safflower and 2 commercial crops viz. jute and copra. In addition to that, MSP for toria and de-husked coconut are also fixed on the basis of MSPs of rapeseed & mustard and copra respectively. The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at the level of one and half times of the cost of production. Accordingly, Government had increased the MSP for all mandated Kharif, Rabi and other commercial crops with a return of at least 50 per cent over all India weighted average cost of production from the agricultural year 2018-19 onwards.

In line with the same principle, Government has announced the increase in MSP for all mandated kharif crops of year 2021-22. The highest absolute increase in MSP over the previous year has been recommended for sesamum (₹452 per quintal) followed by tur and urad (₹300 per quintal each). In case of groundnut and nigerseed, there has been an increase of ₹275 per quintal and ₹235 per quintal respectively in comparison to last year. The expected returns to farmers over cost of production is estimated to be highest in case of bajra (85 per cent). For urad and tur, return to farmers over cost of production is estimated at 65 per cent and 62 per cent respectively. For the rest of the crops, return to farmers is estimated to be at least 50 per cent (Figure 12).

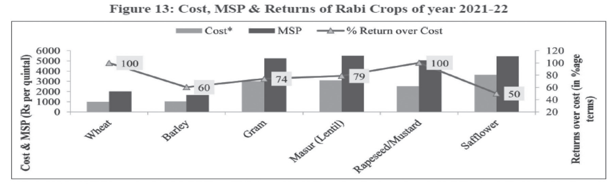
Figure 12: Cost, MSP & Returns of Kharif Crops for the year 2021-22.



Source: DAFW

Government also announced the MSPs for all mandated Rabi crops for Rabi Marketing Season 2021-22. In view of nutritional requirements, changing dietary pattern and to achieve self-sufficiency in pulses and oilseeds production, the Government has fixed relatively higher MSP for these crops (Figure 13). The highest increase in MSP has been recommended for lentil (masur) and rapeseed & mustard at ₹400 per quintal each followed by gram at ₹130 per quintal and safflower at ₹114 per quintal. The expected returns to farmers over their cost of production are estimated to be highest in case of wheat and rapeseed & mustard at 100 per cent each. For masur (lentil) and gram, return to farmers over cost of production is estimated at 79 per cent and 74 per cent respectively and for barley and safflower, it is 60 per cent and 50 per cent respectively. The differential remuneration is aimed at encouraging crop diversification.

Figure 13: Cost, MSP & Returns of Rabi Crops of year 2021-22



Source: DAFW

Salient Features of Monsoon 2021

- The southwest monsoon seasonal rainfall during June to September for the country as a whole has been normal (96 -104% of LPA).
- Quantitatively the 2021 all India monsoon seasonal rainfall during 1 June to 30 September 2021 has been 87.0 cm against long period average of 88.0 cm based on data of 1961-2010 (99% of its Long Period Average (LPA)) Fig.1.

- The southwest monsoon seasonal (June to September) rainfall over the four homogeneous regions is Normal over Northwest India (96%) and central India (104%). Seasonal rainfall is below normal over East and Northeast India (88%) and above normal over South Peninsula India (111%). Monthly and seasonal total rainfall over four homogeneous regions and all India are given in Fig.2
- The southwest monsoon seasonal (June to September) rainfall over the monsoon core zone, which consists of most of the rain fed agriculture regions in the country is above normal (>106% of LPA).
- Considering month to month rainfall variation over India as a whole, the season is very uniquely placed in the historical record for its distinct and contrasting month to month variation. The rainfall over country as a whole was 110%, 93%, 76% and 135% of LPA during June, July, August and September respectively.
- The formation and movement of the cyclone TAUKTAE, over Arabian Sea (during 14-19 May) and severe Cyclonic storm "YAAS" over Bay of Bengal (during 23 to 28th May) helped to increase cross equatorial flow and the onset of monsoon.
- Subsequent features favoured timely advance and monsoon covered entire country over many regions. However, monsoon cover entire country by 13th July against normal date of 8th July.
- In July, the country received slightly below normal rainfall (94% of LPA). The weak monsoon in July was mainly due to absence of any major monsoon disturbance over Bay of Bengal. Absence of such major systems in July also caused the weak monsoon trough. The monsoon trough lay to the north of the normal position or close to the foot hills of Himalayas on many days. It resulted in frequent and prolonged floods over north-eastern India, Bihar and adjoining areas of east Uttar Pradesh. At the same time, major parts of central India received deficient rainfall.
- During August, many unfavourable features of monsoon appeared resulting in deficient rainfall for the country (76%). Negative Indian Ocean Dipole unfavourable for Indian monsoon prevailed during this month. Also, the absence of formation of monsoon depression and a smaller number of low pressure area (16-18 & 28-30 August) over Bay of Bengal caused this rainfall deficiency. Normally two monsoon depressions and two low pressure area forms in the month of August. Most of the days monsoon trough was located north of its normal position which cause subdued rainfall over Central Indian Region. Most of the days Madden Julian Oscillation (MJO) was in the phase 8, 1 and 2 which are unfavorable for monsoon rainfall activity. Also, there was less West Pacific Typhoon activity. Normally remnants of westward moving typhoons help to form Low Pressure Systems (LPS) over Bay of Bengal.
- In September, the country as whole received excess rainfall due to many favourable conditions for the monsoon. The negative Indian Ocean dipole weakened during the month of August and at the same time the cold anomaly in the equatorial Pacific strengthened. There was a monsoon depression and a cyclonic storm formed in the month of September. During most of the days MJO was in the phase 3, 4 and 5 which are favorable for monsoon rainfall activity and low pressure system. More West Pacific Typhoon activity and the remnants of these westward moving systems helped to form LPS over Bay of Bengal. All the LPSs followed west/northwestward track causing good rainfall activity, especially over central India and adjoining areas.

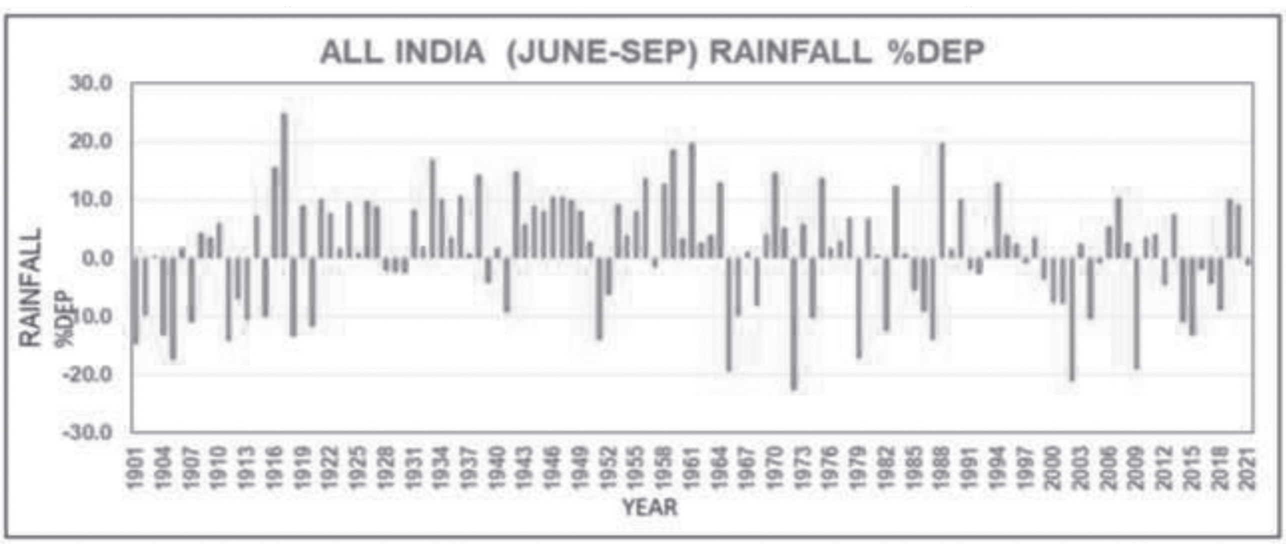


Fig. 1. All India seasonal Monsoon rainfall in% departure from normal

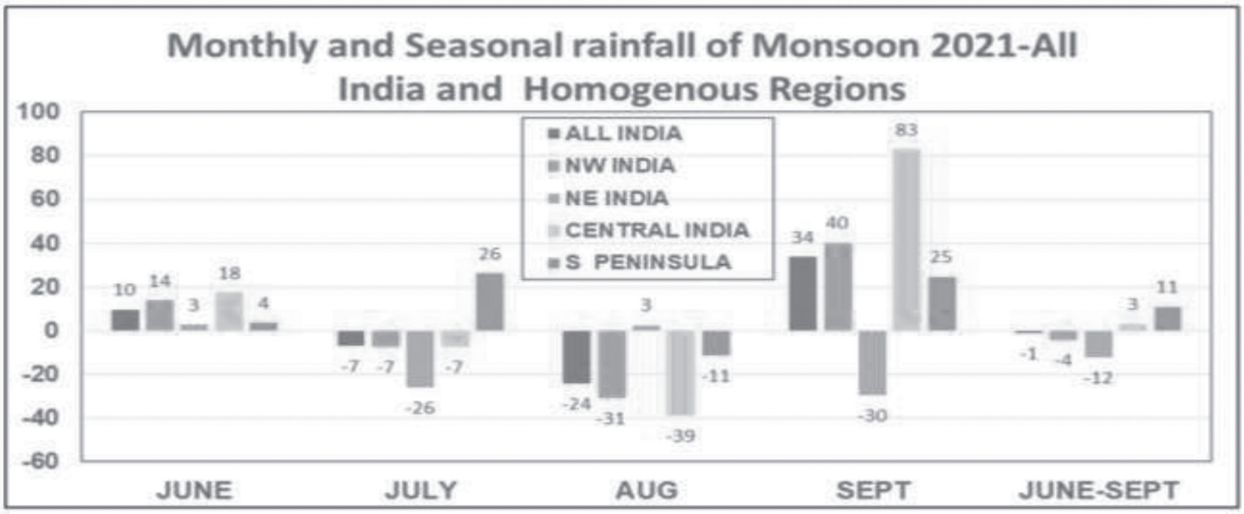


Fig.2. Monthly and seasonal monsoon rainfall of 2021 over Broad homogenous region and Country as a whole in% departure.

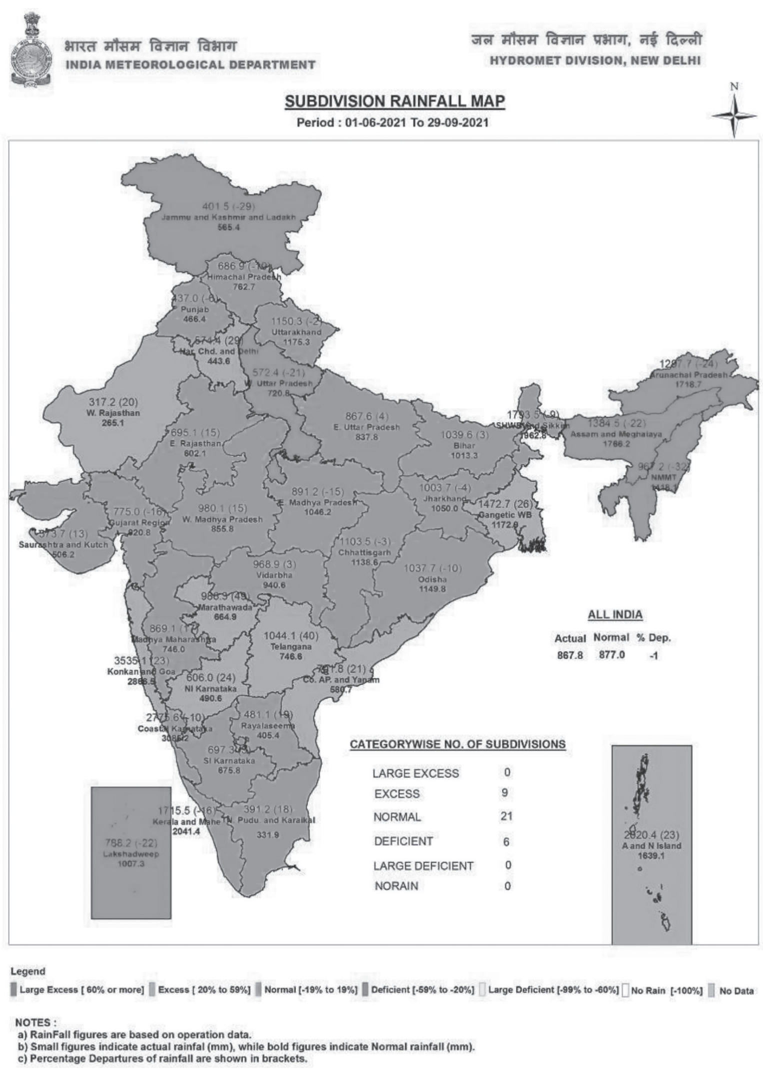


Fig.3. Met-sub-division wise seasonal rainfall of monsoon 2021

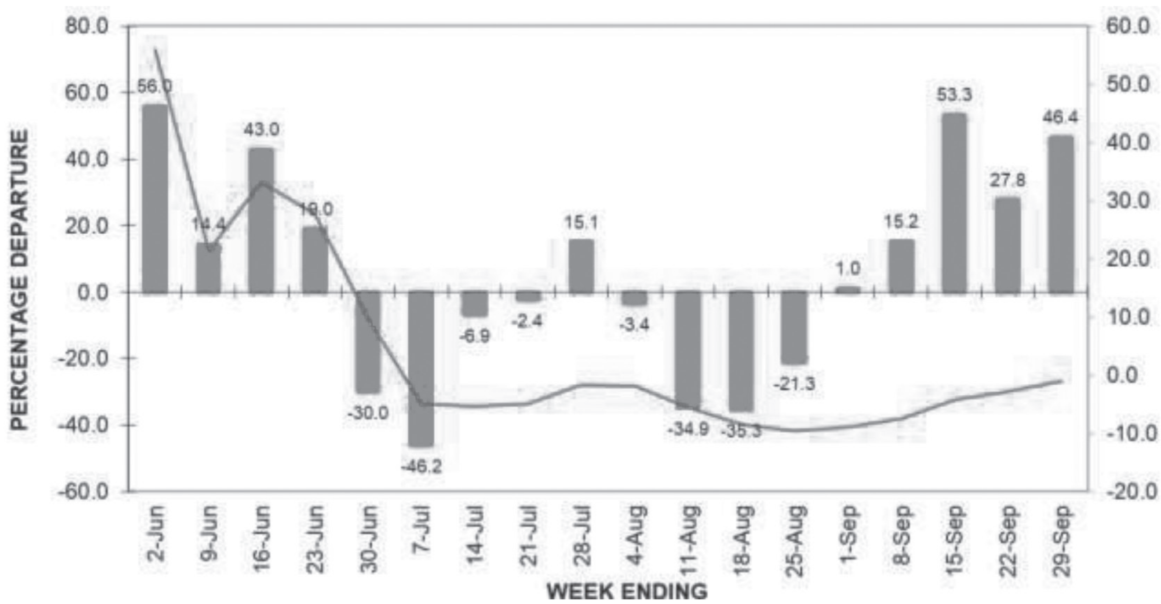


Fig. 4. Week by week progress and cumulative rainfall (% departure from normal) over Country as a whole

Monsoon Forecast 2022:

Southwest monsoon seasonal (June to September) rainfall over the country as a whole is most likely to be normal (96 to 104% of Long Period Average (LPA)). Quantitatively, the monsoon seasonal (June to September) rainfall is likely to be 99% of the Long Period Average (LPA) with a model error of ±5%. The LPA of the season rainfall over the country as a whole for the period 1971-2020 is 87 cm.

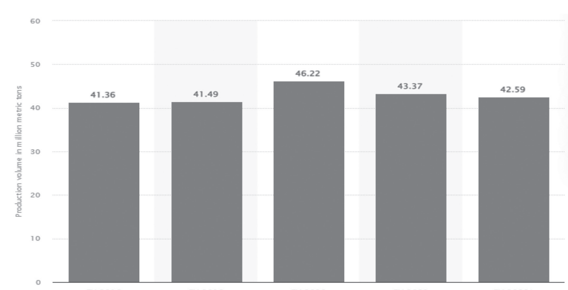
iv) Indian Fertilizer scenario

The Indian fertilizer market reached a value of INR 858 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 1,131 Billion by 2027, exhibiting a CAGR of 4.8% during 2022-2027.

Indian Fertilizer Market: Drivers

- Catalyzed by a strong growth in the country's population over the next five years, food demand is also expected to exhibit a strong growth. Conversely, as a result of increasing urbanisation levels, available arable land is expected to decrease. We expect fertilizers to play a key role in increasing the average crop yields per hectare.
- Despite strong historical growth, fertilizer consumption in India remains highly skewed. There are currently a number of states in India which still have a very low penetration of fertilizers. This leaves a lot of room for future growth.
- We expect a number of government and non-government awareness campaigns to educate farmers on the benefits of fertilizers. Promotion of fertilizers through television, radio and customized rural workshops are also anticipated to increase the consumption of fertilizers in the coming years.
- Increasing rural incomes, coupled by easy availability of credit, are also likely to create a positive impact on fertilizer usage in the country.
- Contract farming, where inputs in terms of technology and training are expected to be provided to the farmer from the food processor (contractor), is also expected to create a positive impact on fertilizer usage.

Volume of fertilizers produced in India from financial year 2018 to 2022 (in million metric tons)



India's fertiliser subsidy expenses could touch ₹2 trillion in 2022-23 because of a sharp spike in global prices of urea, di-ammonium phosphate (DAP) and muriate of potash (MoP) in the last one year, an official with the fertiliser ministry said on said. The fertiliser subsidy was at ₹1.6 trillion in 2021-22. According to the ministry data, imported urea prices have risen by more than 145% to $930 a tonne in April 2022 from $380 a tonne a year ago. Similarly, prices of DAP and MoP have risen by 66% and 116% to $924 a tonne and $590 a tonne in April 2022, respectively, comparison to the year-ago period. It would be the third year in a row in 2022-23 that the annual Budget spending on fertiliser subsidy will be much above the ₹1-trillion mark, against a lower range of about ₹70,000-80,000 crore in the past few years. According to official estimates, against fertiliser requirement of 35.43 million tonne (MT) during the 2022 kharif season, availability would be 48.55 MT, including 10.47 MT of imported fertiliser and 25.47 MT of domestically produced soil nutrients.

For kharif 2022, the Centre has pegged the requirement at 354.34 LMT, of which urea accounts for 179 LMT, DAP for 58.82 LMT, muriate of potash (MoP) for 19.81 LMT, NPK (nitrogen, phosphate, potash) for 63.71 LMT, and SSP for 33 LMT.

According to official estimates, against fertiliser requirement of 35.43 million tonne (MT) during the 2022 kharif season, availability would be 48.55 MT, including 10.47 MT of imported fertiliser and 25.47 MT of domestically produced soil nutrients.

The government on Wednesday said the Nutrient Based Subsidy (NBS) rates for phosphatic and potassic (P&K) fertilisers for the Kharif season (April-September, 2022) will be ₹60,939 crore, as against ₹57,150 crore for the whole of last year. The increase in subsidy is meant to insulate farmers from the increases in the prices of di-ammonium phosphate (DAP) and other non-urea nutrients in the global markets. These soil nutrients are largely imported.

Last year's NBS subsidy included ₹28,495 crore for the Kharif and ₹28,655 crore for the Rabi season.

In 2022-23, ₹1,05,262 crore has been allocated to the Department of Fertilisers for fertiliser subsidy, a decrease of 25% over the revised estimates of 2021-22 (Table 7). Further, the allocation for subsidies of Urea and nutrient-based fertiliser in 2022-23 is 17% and 35% lower than the revised estimates of 2021-22. In 2021-22, the department has been allocated ₹1,40,122 crore at the revised stage, which is 75% higher than budget estimate (₹80,011 crore). Note that the government had increased the subsidy rate for Phosphate by 204% from ₹14.9 per kg in 2020-21 to ₹45.3 per kg in 2021-22. This was in response to a sharp increase in international prices of raw materials used in the manufacture of fertilisers. In 2020-21, the actual expenditure included one-time allocation of ₹32,155 crore to clear off pending dues of fertiliser subsidy of previous financial years. Dues had built up due to insufficient budget allocation over the years. Adjusted for this one-time expenditure in 2021-22 RE, the decrease in allocation for 2022-23 BE is 2.5%.

₹63,222.32 crore allocation for urea subsidy in the Budget for 2022-23 was 17 per cent lower than the revised estimates (RE) for 2021-22. Another ₹42,000 crore was allocated to subsidise NPK fertilisers; that was 35 per cent below the RE.

Table 7: Fertiliser subsidy allocation (Rs crore)

Subsidy	2020-21 Actuals	2021-22 Revised	2021-22 Budgeted	% change in BE 2022-23 over RE 2021-22
Urea	90,549	75,930	63,222	-16.7%
Nutrient based	37,372	64,192	42,000	-34.6%
Fertiliser subsidy	**1,27,922**	**1,40,122**	**1,05,262**	**-24.9%**

Sources: Expenditure Budget No.6, Union Budget 2022-23; PRS.

v) Government initiatives:

PM- KISAN:

Under Pradhan Mantri Kisan Samman Nidhi Scheme (PM-KISAN), more than 1.60 lakh crore rupees have been directly transferred to more than 11.54 crore farmers till now.

PM-KMDY:

Total 21,42,718 number of farmers have been enrolled under Pradhan Mantri Kisan Maandhan Yojana (PM-KMDY).

AIF:

Till date, a total of 8702 projects have been sanctioned under the scheme with a loan amount of ₹6254 crores, out of which, ₹2291 crores have been disbursed for 4315 projects.

MSP:

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at levels of one and half times of the cost of production. In line with the same principle, Government had announced the increase in MSP for all mandated kharif crops of year 2021-22 on 9th June, 2021. The expected returns to farmers over their cost of production is estimated to be highest in case of bajra (85%), followed by urad (65%) and tur (arhar) (62%). For rest of the crops, return to farmers over their cost of production is estimated to be at least 50%. On 8th September, 2021, the Government has announced the MSP for all mandated Rabi crops for Rabi Marketing Season (RMS) 2022-23. The expected returns to farmers over their cost of production are estimated to be highest in case of wheat and rapeseed & mustard (100% each), followed by lentil (79%); gram (74%); barley (60%); safflower (50%).

National Food Security Mission:

During 2021-22, NFSM was implemented in identified districts of 28 states & 2 Union Territories (UTs) viz. Jammu & Kashmir and Ladakh in the country:

- NFSM-Rice in 193 districts of 24 states & UT of Jammu & Kashmir.
- NFSM-Wheat in 124 districts of 10 states & 2 UTs viz. Jammu & Kashmir and Ladakh.
- NFSM-Pulses in 644 districts of 28 states & 2 UTs viz. Jammu & Kashmir and Ladakh. NFSM-Coarse Cereals in 269 districts of 26 states & 2 UTs viz. Jammu & Kashmir and Ladakh.
- NFSM-Nutri-Cereals in 212 districts of 14 states.
- NFSM-Coarse Cereals in 269 districts of 26 states & 2 UTs viz. Jammu & Kashmir and Ladakh.
- NFSM-Commercial Crops, Cotton is implemented in 15 states, Jute in 9 states and Sugarcane in 13 states of the country.
- The Targeting Rice Fallow Area (TRFA) programme under NFSM is implemented in 11 states of the country to promote cultivation of pulses in rice fallow areas of the states.

An amount of ₹1560.00 crore (BE) was allocated for NFSM during 2021-22.

Oilseeds:

NFSM-Oilseeds is being implemented in 27 States and 3 UTs.

- Annual Action Plan of the states/UTs have been approved for an amount of ₹276.46 crores. Out of this, an amount of ₹62.42 crore has been released to the state so far for implementation of NFSM-Oilseeds.
- Besides, Annual Action Plan of the 8 states for an amount of ₹50.00 crore has been approved for implementation of TRFA Oilseeds.
- Govt. of India has fixed targets of 29.21 million ha for area coverage, 36.56 MTs for production and 1337 kg/ha for productivity under Oilseeds.
- Distribution of over 8,34,535 Soyabean mini kits with yield of not less than 20 qtl/ha and distribution of 58,416 groundnut seed mini kits with yield not less than 22 qtl/ha under Kharif 2021-22 season.
- In Rabi season, over 8,20,600 Mustard mini kits and 11,000 groundnut mini kits are plan to be distributed.

Mission Organic Value Chain Development for North Eastern Regions (MOVCDNER):

- 170 FPO/FPCs created covering 153116 farmers and 155495 ha area
- 288 Collection, Aggregation, Grading units, Custom Hiring Centres, 26 processing and pack house entities created under FPO/FPCs and private ownership
- 93 transportation vehicles provided to FPO/FPCs
- 7 states developed their own brands
- Marketing facilitation of ginger, turmeric, pineapple and king chilli have been major success and FPCs have been supported with buyback agreements
- The export of king chilli sauce, pineapple (canned) and ginger flakes to UK, USA, Australia, France and Swaziland have already started
- Industry mentorship model with necessary infrastructure development with 3 FPCs
- Contract production of Ginger and Turmeric with 100% buyback assurance finalized with 3FPOs in Arunachal Pradesh with Parvata Foods
- Contract cultivation of other high value crops such as Perila, black thai ginger and Calandula flowers is under process.

Paramparagat Krishi Vikas Yojana (PKVY):

- Under PKVY Scheme, 19,043 clusters formed during 2018-19 to 2020-21 in Phase-II against the target of 20,500 clusters. Work continued in 19,043 clusters (Phase-II) and old 11891 clusters of Phase-I (2015-16 to 2017-18) in 2021-22.
- Total 3.81 lakh ha area covered formed during 2018-19 to 2021-22 in Phase-II against the target of 4.10 lakh ha area and work continues in 2.38 lakh ha area covered in Phase-I (2015-16 to 2017-18) in 2021-22 under PKVY.
- Total 9.52 lakh farmers have been benefitted during 2018-19 to 2020-21 in Phase-II and farmers are engaged for completing the spillover activities during the CFY 2021-22.
- In addition to above, under Namami Gange Programme, ₹101.56 crore funds has been released for 6181 clusters and 1.23 lakh ha area covered till date since 2017-18.
- In addition to above, funds released under natural farming for an area of 4.09 lakh ha area since 2020-21.
- In Jaivik-kheti portal total 5.45 lakh farmers, 16905 local groups, 75 input suppliers, 7881 buyers and 178696 products have been registered.

Government has initiated Large Area Certification (LAC) programme since 2020-21 to certify large traditional/default organic areas such as hills, islands, tribal or desert belt with no past history of GMO and agro chemical uses. Under this programme 14,445 ha area under Car Nicobar and Nancowry group of islands in Union Territory of A&N Islands have been certified to transform entire territory of these islands to organic similar to Sikkim. Proposal of 5000 ha area has been received from Ladakh under LAC and fund ₹11.475 lakh has been released. The entire cultivable land of 2700 ha area of Lakshadweep have been certified organic under Large area certification.

Various Brands developed and business tie-ups have been formed with various business groups for marketing of organic produce under PKVY Scheme.

Rashtrya Krishi Vikas Yojana (RKVY-RAFTAAR) in 2021-22

- ₹1034.21 crore has been released to the States during 2021-22.
- So far, 286 projects has been approved by the States for implementation during 2021-22.

Seeds:

- During 2021-22, under Seed Village Programme, assistance amounting to ₹13.44 crore has been released and 6.32 lakh farmers benefited (as on date).
- Under National Seed Reserve 1.75 lakh qtls. seeds of short and medium crop varieties proposed to be maintained to meet the contingency and unforeseen situations like drought and flood for Kharif-2021 and an amount of ₹4.77 crore has been released.
- During 2021-22, a total amount of ₹1.33 crore has been released to create Seed Storage Capacity of 2600 MT.
- Transport subsidy of ₹4.86 crore has been released for movement of 2.54 lakh quintals of seeds to North-Eastern States and other States etc.
- Rs.4.00 crore has been released for strengthening and renovation of 5 Seed Testing laboratories in the Country.
- An amount of ₹0.30 crore has been released for establishment of 3 Green House in the Country.
- An amount of ₹0.06 Crore has been released for organizing Training on Seed related Activities in the Country.
- An amount of ₹1.43 Crore has been provided for support to Seed Certification Agency (for the staff cost).

Agricultural Mechanization:

- During 2021-22, an amount of ₹331.94 Crore, ₹193.35 Crore, ₹159.59 Crore respectively have been sanctioned to Punjab, Haryana and Uttar Pradesh under Promotion of Agricultural Mechanization for in-situ Management of Crop Residue.
- An amount of ₹523.04 crores have been allocated/ released to the State Governments for providing 75,223 numbers of various machines and equipment to the farmers on subsidy, 1540 Custom Hiring Centers, 53 Hi-tech hubs and 2629 Farm Machinery Banks.
- 10,166 trainees have been trained & 394 numbers of demonstrations have been conducted through FMTTIs, 829 agricultural machineries and equipment have been tested through FMTTIs and Identified Institutes of DA&FW, 75,223 numbers of agricultural machinery & equipment have been distributed on subsidy to the farmers and 4222 numbers of Custom Hiring Centers/ Hi-tech Hubs/Farm Machinery Banks have been established to provide machines and equipment to small and marginal farmers on rental basis.
- On multi-lingual mobile app-based aggregator platform 'FARMS' (Farm Machinery Solutions) App 42,179 service providers have registered with more than 1,64,011 machines for renting. More than 5,23,95,476 farmers/ other users have also registered for availing the services through this app.

Pradhan Mantri Fasal Bima Yojana (PMFBY):

- Against budget provision of ₹16000 crore, ₹9719.24 crore have been released/utilized during 2021-22.
- During Kharif 2021, total number of 484.6 lakh farmers applications have been enrolled over an area of 244.7 lakh ha. for a sum insured of ₹99368 crore.
- Out of the partial claims of ₹11148 crore for the year 2020-21, claims of ₹10385 crore have already been paid to 110.7 lakh farmer applications.

Rained Farming System:

- Government has announced for augmentation of Micro-Irrigation Fund corpus created in NABARD of ₹5000 cr by another ₹5000 cr and continuation during 15th Finance Commission for expanding area of micro-irrigation in country.
- An area of 59.37 lakh ha has been covered under Micro Irrigation in the country from 2015-16 till date under PMKSY-Per Drop More Crop programme.

Budget Allocation:

The Department of Agriculture, Cooperation and Farmers' Welfare has been allocated ₹1,23,018 crore in financial year 2021-22.

Trade:

The export of Agri and allied commodities during 2020-21 were ₹310811.44 Crore as compared to the same period last year indicating an increase of 22.86%. The commodities which posted significant positive growth in exports were wheat, Other Cereals, Rice (other than Basmati), Soya meal, Raw Cotton, Fresh Vegetable, and Processed Vegetables etc.

Wheat and other cereals posted huge growth over last year, i.e., increased from ₹444.20 Crore to ₹4173.08 Crore and ₹1454.72 Crore to ₹5198.42 Crore, respectively. India has witnessed tremendous growth of 839.46% for Wheat export. Country has witnessed significant growth in export of Other Than-Basmati Rice that is 146.92%. Export of Other Than-Basmati Rice has gone up from ₹14400.33 Crore in 2019-20 to ₹35557.04 Crore in 2020-21.

Other commodities of Agri & Allied basket witnessing significant increase in export 2020-2021 as compared to corresponding period during 2019-20, have been Raw Cotton (₹13968.38 Crore vs ₹7539.53 Crore, growth 85.27%), Fresh Vegetable (₹5388.03 Crore vs ₹4617 Crore, growth 16.69%) and Processed Vegetables (₹3150.06 Crore vs ₹2212.03 Crore, growth 42.41%) etc.

The export details of agriculture commodities in 2021-22 (upto October, 2021) are as follows – Raw cotton – ₹9224.07 Crore, Fresh vegetable – ₹3648.69 Crore, Processed vegetable - ₹1887.94 Crore.

Despite COVID-19, balance of trade in agriculture has favorably increased during 2020-21 to ₹156300.23 Crore as against ₹105530.25 Crore during the same period in 2019-20.

Plant Protection:

- During 2021-22, an amount of ₹108.74/- Crore has been released (as on 03.12.21).
- A total no. of 12,013 (Till October 2021) samples were analyzed for pesticide residue under Monitoring of Pesticide Residue at National Level (MPRNL) Scheme.
- Approximately 120.48 Lakh hectare Area has been covered under Locust Surveillance in the year 2021-22. Two National Training Workshop on Desert Locust were conducted in collaboration with FAO and 22 Locust Awareness Programme were conducted.
- Total No. of Farmers Field School (FFSs) conducted under CIPMCs are 70-Kharif & 212-Rabi. Total No. of farmers trained under CIPMC are 2450 (Kharif) & 7420 (Rabi).
- Up to November, 2021 a total No. of 4,53,573 Export Phyto-Sanitary Certificate and total 1,17,227 Import Release Order has been issued. Total Revenue generated through Plant Quarantine activities is 381.31 Crore.
- Total No. of Registration Certificates (CRs) issued under various categories u/s 9(3b) (provisional registration)/ 9(3) (new molecule registration)/9(4) (already registered molecules) under Insecticide Act, 1968 w.e.f. up to 28.12.2021 are 23009.
- A total no. of 46 pesticides have been banned till date. It is further informed that no pesticide has been banned in the year 2021-22 as on 28.12.2021.
- Total No. of Awareness Programme conducted under National Institute of Plant Health Management (NIPHM) are 121 Nos. and total No. of persons trained are 5803 Nos.

National Beekeeping & Honey Mission (NBHM):

- 8 project proposals of the State Govts./Agencies/ Organizations/Departments/ICAR/CAUs/SAUs, etc. for total assistance of ₹1223.45 lakhs have approved by EC under NBHM by NBB.
- Madhukranti portal for online registration/ traceability system for source of Honey & other beehive products has been launched.
- More than 11,000 Beekeepers/Beekeeping & Honey Societies/Firms/Companies with 17 lakhs honeybee colonies registered with NBB and uploaded on Madhukranti portal.
- A State of the Art honey & other beehive products testing lab at IARI, Pusa, New Delhi has been launched.
- 100 FPOs of Beekeepers/Honey Producers have been allotted to TRIFED (14 nos.), NAFED (60 nos.) and NDDB (26 nos.) in the identified areas/Districts/ Clusters selected by the National Bee Board (NBB) for implementation of activities under NBHM.
- AMUL honey has been launched in collaboration with Gujarat Cooperative Milk Marketing Federation Ltd. (GCMMF) and Banaskantha District Cooperative Milk Federation, Gujarat.

ATMA:

During FY 2021-22, an amount of Rs.225.83 crore was released to States/UTs under ATMA scheme. States/UTs have reported physical achievements upto 31/10/2021 viz. Training of 20101 Extension Personnel, Training of 734529 Farmers, Exposure Visits of 165148 Farmers, Demonstrations on the field of 210712 Farmers, 320060 farmers visited in 4236 Kisan Melas, Mobilization of 11595 Farmers Interest Groups and Setting up of 10082 Farm Schools on the field of Progressive/Awardee Farmers.

Agri-Clinics and Agri-Business Centers:

During 2021-22, with the release of amount of ₹1194.98 lakhs, total 3033 candidates trained, 1337 ventures established and 166 ventures subsidized till now.

Kisan Call Centre:

During 2021-22, total 32,95,656 calls answered and ₹2336.01 lakhs have been released till now.

Sub-Mission on Agro-forestry (SMAF) Scheme:

Since inception of the scheme w.e.f. FY 2016-17, a total of 401 lakh trees under an area of 93,809 hectares have been planted in the country so far. Under the scheme, about 76,373 farmers have been benefitted under the scheme so far.

vi) Marketing:

While virtual meetings were organized by the regional teams during Q1-Q2 period, regular activities resumed during later part of Q3 and continued in Q4.

Key highlights of the Market Development Activities:

- The main focus during the COVID affected months was on connecting with farmers and retailers through virtual meetings to address farmer's pain points and POS sales push for retailer with support of digital campaign.
- In the physical activities, emphasis was on promoting ZACL flagship product, Jai Kisaan Samarth along with Jai Kisaan Navratna 20:20:0:13 in Maharashtra & Karnataka by organising Jeep campaigns, Demonstrations, Field days, Crop seminars and Digital campaigns.

Farmer Connect: During the year 2021-22

- Contacted over 3 lakh farmers through online and physical contact programs.
- Organized 2506 (1896 online + 610 physical) farmer meetings to educate farmers about Adventz product range and provide solutions to their pain points.
- The teams conducted total 291 regular demonstrations to promote N-10, N-20 & N-19 and focused SPN & CPC products.

- Conducted 1123 spot demonstrations on focused SPN & CPC products.
- Organized 151 field days to show the product efficacy to fellow farmers.
- 299 campaign days organized through branded vehicles to promote Samarth & JK Navratna N20 and focused SPN/CPC products.
- Organized 220 crop seminars in which the external experts participated.

Brand Visibility

Completed 3.03 lakh sq. ft. of brand visibility (shop & wall paintings) during the year 2021-22.

Channel Partner Meet- ZACL Zone:

To motivate and develop strong relationship among potential channel partners, a Channel Partners' meet was organised at Goa in November '21 for top 100 dealers of ZACL Zone.

Special Events during 2021-22:

A key highlight of BTL Activities during 2021-22 were special events organized across all the marketing territories of ZACL.

- **Jai Jawan Jai Kisaan Event – 15th August '21**
  - 77 Soldier-Farmers were felicitated at the events organized at 49 places.
  - These events were attended by 4278 farmers.

o **Azadi Ka Amrit Mahotsav – October '21**

  - Azadi Ka Amrit Mahotsav & DBT in Fertilizers Awareness Week organized from 2nd October to 10th October across India through various farmer related programmes.
  - In ZACL regions, organized 33 Krishi Sammelanas, 19 DBT retailer meetings and 53 farmer meetings.

- **World Soil Day – 5th Dec 2021**
  - 'World Soil Day' events organized at 61 places on 5th Dec in all ZACL regions with programme theme 'Halt Soil Salinization, Boost Soil Productivity'.
  - Total 3140 Farmers, 107 Adventz dealers and retailers participated in the programme.
- **Jai Kisaan Diwas – 23rd Dec-2020**
  - On 23rd of December '21, **Jai Kisaan Diwas** was celebrated with the theme line "Aap ka Amulya Ho Yogdaan, Aap par Ho Desh Ko Abhimaan".
  - Organized 58 JKD events across all the regions of ZACL and total 4500 farmers, 120 dealers & 169 retailers participated in the events.
- **International Women's Day – 8th March 2022**
  - Jai Kisaan Team celebrated **"International Women's Day"** on 8th March, 2022 across India to commemorate the cultural, political, and socio-economic achievements of women – a unique programme to celebrate the contribution of women in farming.
  - Organized **41** International Women's Day programmes across all the regions of ZACL Zone.

Digital communication:

Jai Kisaan Samarth 10-26-26 is company's flagship product and Brand Development activities are focused on this product. The Brand Development activities conducted during June 2021.

- **Digital Media Campaign** was released during Kharif 2021
  - o The campaign started on 19th June, 2021 and ended on 15th September, 2021.
  - o The campaign was planned at reaching out to **6.1 million** audience and has reached **24.3 million** as on 15th September, 2021 with **4.8 million engagements** (likes, comments, shares and clicks).
  - o **Custom Audience ads** are also a part of campaign to reach out specific audience Like **Farmers, Retailers, Dealers.**
  - o We have added **13615+** fans to our @jaikisaan.samvaad Facebook page (cumulative **28,601** fans).
  - o 3 non-FCO Agri-fluids – Bio 20, Restore 1, Restore 2 – listed on Amazon.
  - o Organized 43 FB live programmes for Karnataka, Maharashtra, AP & Telangana farmers on INM and IPM of focused crops.
  - o Jai Kisaan App: Available on Android Play Store, the App has been downloaded by 58,067 active users.

  Total primary sales volume of fertilizers stood at 6.48 lakh MT while POS sales of 7.82 lakh MT was achieved during 2021-22. Last year's primary sales volume was 8.46 lakh MT with POS sales of 7.68 lakh MT.

  In the Specialty Fertilizer business, the Company achieved sales of ₹272.97 crores during FY 2021-22, compared to ₹118.08 crores achieved last year, registering a growth of 131%.

  Overall sales of pesticides for the year were ₹127.56 crores, compared to ₹112.92 crores achieved last year, registering a growth of 13%.

vii) Internal Control Systems and their Adequacy:

The Company has adequate systems of internal control in place, which are commensurate with its size and the nature of its operations. These are designed to provide reasonable assurance with respect to maintaining reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorization coupled with ensuring compliance of corporate policies through documented Standard Operating Procedures (SOP) and Limits of Financial Authority Manual (LOAM). These documents are reviewed and updated on an ongoing basis to improve the internal control system and operational efficiency. The Company uses a state of the art ERP (SAP S/4 HANA - high performance analytic appliance) system and GRC software, which have higher controls in place.

In addition, Internal Auditor reviews the internal control measures on an ongoing basis, whose reports are reviewed by the Audit Committee on a regular basis.

viii) Enterprise Risk Management (ERM):

The Risk Management Committee of the Board has approved a Risk Management Policy which has been formulated in accordance with the provisions of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Company's ERM framework encompasses practices relating to identification, assessment, monitoring and mitigation of strategic, operational, financial and compliance related risks.

The coverage includes both internal and external factors. The risks identified are prioritized based on their potential impact and likelihood of occurrence. Risk register and internal audit findings also provide input for risk identification and assessment. The prioritised risk along with the mitigation plan are discussed with the Corporate Management Committee and Risk Management Committee on periodic basis.

The Company has, during the year internally conducted the Risk Assessment exercise for reviewing the existing processes of identifying, assessing and priortised risks and same are being reviewed for adherence periodically.

The Risk Management Committee shall periodically review the risks and report to the Board of Directors from time to time.

ix) Material development in human resources:

The overall IR situation at the Goa Plant has been cordial. To contain the COVID spread/infection, company had organized free vaccination camps for Employees as well as Contract workers. The HR Policies have been reviewed keeping in mind the business needs.

The Company under the 'Adventz Excellence Awards' granted excellence awards to the Adventz family members who have excelled in both Sports & Academics.

The Company hired fresh Engineering degree & Diploma holders from reputed institutions to impart training in plant operations and create a talent pool to mitigate the attrition in operational areas. Likewise, the marketing division hired fresh BSc (Agri) & MBA (ABM) from reputed institutes to strengthen the frontline Sales of the Company. There has been significant improvement in the training man-days post COVID situation.

A new training module known as 'Nayi Disha' was designed for the frontline Sales force keeping in mind the necessity to enhance their skills.The Company reviewed the compensation policy for Death during employment (Group Term Life Plan) including COVID and enhanced the benefits to mitigate the hardship to the dependants of the deceased.

FINANCIAL REVIEW:

The revenue from continued operations (Standalone) for the year ended 31st March, 2022 is ₹8,301.07 Lakhs and discontinued operations is ₹2,51,139.71 lakhs as compared to previous year ended 31st March,2021 continued operations of ₹10.63 lakhs and discontinued operations of ₹2,21,938.60 lakhs.

The loss before tax for the year ended 31st March, 2022 from continuing operations is ₹7,776.16 lakhs and discontinued operations is ₹452.75 lakhs as compared to previous year ended 31st March 2021 loss from continued operations of ₹10,149.34 lakhs and discontinued operations to ₹13,562.85 lakhs. The loss after Tax from continuing and discontinuing operations stood at ₹8,345.08 lakhs for the year ended 31st March, 2022 as compared to loss of ₹23, 712.19 lakhs for the previous year.

The Company's EBIDTA before exceptional item from continuing operations for financial year 2021-22 is ₹42.00 Crores and from discontinuing operations is ₹111.21 Crores as against previous year ended 31st March, 2021 Continued operations was ₹20.53 Crores, discontinued operations was ₹106.81 Crores. The Finance Costs (Continue and Discontinue) operation for 2021-22 was ₹231.96 Crores as against ₹321.63 Crores in 2020-21. During the year the Company's other income stood at ₹63.34 Crores as against ₹75.64 crores in the previous year.

The Performance of own manufactured fertilizers & other Agri Products

Own Manufacturing Fertilizers and other Agri Inputs		
Particulars	**2021-22**	**2020-21**
Urea Sales- (MT)	430369.00	479675.00
Di-Ammonium Phosphates Sales- (MT)	10056.00	1129.00
Other Complex Fertilizers Sales- (MT)	175753.00	342864.00
Single Super Phosphate Sales- (MT)	31937.00	122.90
Urea Production - (MT)	433876.00	466039.00
Di-Ammonium phosphates Production - (MT)	10050.00	00
Other Complex Fertilizers Production - (MT)	156444.00	352670.00
Single Super Phosphate Production - (MT)	31976.00	00

Performance		
Particulars	**2021-22**	**2020-21**
Sale of Single Super Phosphate (₹ in Crores)	43.28	0.32
Sales of Finished Products & Other Products (₹ in Crores)	2442.18	2205.86
Total Sales of Finished Goods (₹ in Crores)	2485.46	2206.18
Trade Products	**2021-22**	**2020-21**
Di-Ammonium phosphates Sales-(MT)	90.00	2947.00
Muriate of Potash- Sales- (MT)	148.00	395.00
Other Fertilizer grade Material-(MT)	9852.12	00
Other Fertilizers/Complex Fertilizers (MT)	12608.31	152.75
Sale of other Traded Goods (₹ in Crores)	105.66	11.78
Total Sales from Traded Products (₹ in Crores)	105.66	11.78

OUTLOOK:

Budget 2022 seeks to envision doubling the farmers' income through a multi-pronged approach centred around access to finance, access to the marketplace and access to new age technology and better farming practices related to organic farming, drone technology, outlined as under:

Highlights of Union Budget 2022-23 in Agriculture Sector

- Agriculture and rural startups will receive funds from NABARD.
- The government will ensure wheat and paddy farmers get assured income by making direct payments of ₹2.37 lakh crore for minimum support price (MSP) from April 2022 to March 2023.
- Oilseed cultivation will be expanded to reduce dependency on imports and production of millet will be encouraged.
- Kisan drones will be employed for crop assessments, digitalisation of land records, spraying of pesticides and nutrients.
- Chemical-free natural farming will be promoted all over India which will help farmers improve their income as well as sustainable agricultural productivity.
- About 9 lakh farmers will benefit from the Ken-Betwa River linking project. A total of ₹44,000 crore has been earmarked for this project.

In the 2020-21 Union Budget presented by Finance Minister Nirmala Sitharaman, the Ministry of Agriculture and Farmers' Welfare has been allocated ₹1,31,531 crore. The government has given a clear signal to rural India that it is committed to its their cause.

Monsoon Forecast 2022:

Southwest monsoon seasonal (June to September) rainfall over the country as a whole is most likely to be normal (96 to 104% of Long Period Average (LPA)). Quantitatively, the monsoon seasonal (June to September) rainfall is likely to be 99% of the Long Period Average (LPA) with a model error of ±5%. The LPA of the season rainfall over the country as a whole for the period 1971-2020 is 87 cm.

OPPORTUNITIES FOR NEXT FISCAL:

Some new age reforms like delivery of digital and hi-tech services to farmers in public private partnership mode, use of Kisan drones to aid farmers have been announced. Also, to encourage start-ups in the business of leasing machinery for farmers, and providing technology including IT-based support, announcement of launch of new fund has been made. Similarly, proposal on steps for promotion of chemical-free natural farming, updating the syllabus of agricultural universities to meet the needs of natural, organic farming, modern-day agriculture has been made. To increase domestic production of oilseeds and reduce dependence on imports, proposal to implement a rationalized and comprehensive scheme has been made. From tax perspective, announcement on review of concessional customs duty rates on capital goods has also been made.

The government is committed to supplying fertilisers at affordable prices to farmers with required subsidies despite rising international market rates due to the Russia-Ukraine conflict, huge procurements by China and other global factors, which may push the annual fertiliser subsidy to up to ₹2 lakh crore in the current financial year, sources said.

"For the Kharif season starting May, we have already made sufficient advance arrangements, including for 30 lakh metric tonnes of DAP (Di-Ammonium Phosphate) and 70 lakh metric tonnes of urea. We are fully prepared for the kharif requirements and will make further procurements as per the needs," the source added.

Government officials pointed out that urea price in the domestic market remains ₹266 per 50 kg-bag today while the international market price has risen to ₹4,000 per bag, resulting into a subsidy of about ₹3,700 per bag.

The Cabinet has approved Nutrient Based Subsidy (NBS) rates for Phosphatic and Potassic (P&K) fertilizers for Kharif Season (from 01.04.2022 to 30.09.2022)

Subsidy approved by the Cabinet is ₹60,939.23 crore for NBS – Kharif season 2022 (from 01.04.2022 to 30.09.2022), including support for indigenous fertilizer (SSP) through freight subsidy and additional support for indigenous manufacturing and imports of DAP.

The increase in the international prices of Di-Ammonium Phosphate (DAP) and its raw materials have been primarily absorbed by the Union Government. The Union Government has decided to provide subsidy of ₹2501 per bag on DAP instead of existing subsidy of ₹1650 per bag which is a 50% increase over the last year's subsidy rates. The increase in the prices of DAP & its raw material is in the range of approx. 80%. It will help farmers to receive notified P&K fertilizers on subsidized, affordable and reasonable rates and support the agriculture sector.

RISKS AND CONCERNS:

India's fertiliser subsidy expenses could touch ₹2 trillion in 2022-23 because of a sharp spike in global prices of urea, Di-Ammonium Phosphate (DAP) and muriate of potash (MoP) in the last one year, an official with the fertiliser ministry said.

The fertiliser subsidy was at ₹1.6 trillion in 2021-22.

According to the ministry data, imported urea prices have risen by more than 145% to $930 a tonne in April 2022 from $380 a tonne a year ago. Similarly, prices of DAP and MoP have risen by 66% and 116% to $924 a tonne and $590 a tonne in April 2022, respectively, in comparison to the year-ago period.

Fertiliser prices have broken new records as global supplies are hit by multiple factors including reduced supplies from Russia and Belarus, disruptions to the supply chain, a China export ban and a Canadian rail strike. Prices for raw materials that make up the crop nutrient commodity market – ammonia, nitrogen, potash, urea, phosphates, sulphates and nitrates – have risen 30% since the start of the year, and are now higher than the levels reached during the food and energy crisis when prices jumped in 2008, according to CRU, a UK-based commodity consultancy.

Details of Significant Changes in Key Financial Ratios, along with detailed explanations

Sr. No.	Profitability Ratios	March 31, 2022	March 31, 2021	Variation%	Reason in Variation
i	Interest Coverage Ratio (EBIT*/Interest (Cost)	0.62	0.21	203.88	Interest cost decreased by ₹8,966.74 lakhs mainly due to reduction in working capital.
ii	Operating Profit Margin (%) (EBITDA*/Revenue)	5.39%	4.69%	14.97	EBIDTA increased by ₹2,547.58 lakhs mainly due to lower fixed cost when compared to previous year.
iii	Net Profit Margin (%) (Profit After tax/Revenue)	-3.24%	-10.68%	69.67	During the year, net profit margin before exceptional item is higher when compared to previous year mainly because of higher operational margin, lower fixed cost and lower finance cost.

	Balance Sheet Ratios	March 31, 2022	March 31, 2021	Variation%	Reason in Variation
iv	Debtors Turnover (Debtors/ Revenue*365)	77.23	61.81	(24.93)	
v	Inventory Turnover (COGS/ Average Inventory*365)	19.82	37.25	46.78	Variation is mainly due to liquidation of inventories and higher sales during the year
vi	Current Ratio (Current Assets/Current Liabilities)	0.31	0.47	33.37	
vii	Debt Equity Ratio (Debt/Equity)	-8.22	-15.19	(45.85)	Variation is due to repayment of borrowings during the year.
viii	Return on Net Worth (Profit after tax/Net Worth)	-0.56	2.18	(74.53)	Additional loss during the year led to negative net worth.

* EBIT stands for earnings before interest (both interest cost and interest income) and taxes.
** EBITDA stands for earnings before interest (both interest cost and interest income), taxes, depreciation and amortization.
*** Previous year profit restated.
**** Above ratios are calculated for the continuing operation and discontinuing operations.
*****Exceptional income/expenditure not considered for calculation.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

Preface:

We at Zuari Agro Chemicals Limited engaged in Manufacturing of fertilizers affirms to our employees, customer, community and other stakeholders, our commitment to continually improve and reach excellence in Environment, occupation health & safety while conducing our business operations.

In pursuance of its commitment to responsible business, the Company has prepared this Business Responsibility Report (BRR), as mandated by Securities and Exchange Board of India (SEBI), and in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015.

Section A : General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L65910GA2009PLC006177
2	Name of the Company	Zuari Agro Chemicals Limited
3	Registered address	Jai Kisaan Bhawan, Zuarinagar, Goa 403 726
4	Website	www.zuari.in
5	E-mail id	shares@adventz.com
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Urea and other organic fertilsers – 20121/22
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Phosphatic Fertilizers, Urea, Special Fertilizers and Micronutrients
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NIL
	(b) Number of National Locations	2 (Goa, Mahad in Maharashtra)
10	Markets served by the Company	Goa, Maharashtra, Andhra Pradesh, Karnataka, Telangana, Madhya Pradesh, Chhattisgarh, Odisha, West Bengal, Bihar, Uttar Pradesh, Tamil Nadu, Kerala, Punjab & Haryana

Section B: Financial Details of the Company

1	Paid-up Capital (INR)	4205.80 Lakhs
2	Total Turnover (INR)	259440.78 Lakhs
3	Total Loss after taxes (INR)	8,345.09 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not applicable – as the Company had average net loss for the last 3 financial years. However the Company has spent ₹40.27 Lakhs towards CSR for the financial year 2021-22.
5	List of activities in which expenditure in 4 above has been incurred	Through its CSR projects, ZACL reaches out to the deprived communities to bring about a change in their lives. The various activities carried out are : a) Sanitation, Education and Health Project b) Supply of safe Drinking Water to villages c) Scholarships for promoting secondary and higher education d) Emergency support to Community during COVID-19

Section C : Other Details

1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:	No

Section D : BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number	08029847
2.	Name	Mr. Nitin M. Kantak
3.	Designation	Executive Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	08029847
2.	Name	Mr. Nitin M. Kantak
3.	Designation	Executive Director
4.	Telephone number	0832 2592418
5.	e-mail id	nitinkantak@adventz.com

2. Principle-wise (as per NVGs) BR Policy/policies

P1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3- Businesses should promote the wellbeing of all employees

P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5- Businesses should respect and promote human rights

P6- Business should respect, protect, and make efforts to restore the environment

P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8- Businesses should support inclusive growth and equitable development

P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for P1, P2...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
		The Following policies relevant to external stakeholders are hosted on Company's website www.zuari.in under Investors-Corporate Governance Policy on prevention of Sexual Harassment at workplace, Whistle Blower Policy, Code of Fair disclosure of unpublished price sensitive information, Code of Business Conduct and Ethics, Archival Policy, Policy on Board Diversity, CSR Policy, Code of Conduct and Ethics for employees of the Company, Policy on determination of materiality of event', Policy on preservation of documents, Risk Management Policy, Related Party Transactions, Dividend Distribution Policy, Policy and procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information & Code of Conduct to Regulate, Monitor and report Trading in Securities of the Company http://www.zuari.in/investor/corporate_governance								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
8.	Does the company have in-house structure to implement the policy/policies?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Company's policies are not audited/evaluated by external agencies. However, as per statutory guidelines and business requirements, policies are amended from time to time								

All the policies in the Company are governed by its guiding principles and core values. These polices are mapped to each principle hereunder:

The Company's Mapping to BR Principles

	Principle	Applicable Policies
1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	• Our Core Values : Agility, Customer First, Integrity, Sustainability • Whistle Blower policy • Code of Conduct
2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	• Environment, Occupational Health and Safety Policy (EOHS Policy)
3.	Businesses should promote the wellbeing of all employees	• CSR Policy • Code of conduct Ethics for employees of the Company
4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	• CSR Policy • Our Core Values : Agility, Customer First, Integrity, Sustainability
5.	Businesses should respect and promote human rights	• Our Core Values : Agility, Customer First, Integrity, Sustainability • Whistle Blower policy • Code of Conduct
6.	Business should respect, protect, and make efforts to restore the environment	• Environment, Occupational Health and Safety Policy (EOHS Policy)
7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	• Our Core Values : Agility, Customer First, Integrity, Sustainability

8. Businesses should support inclusive growth and equitable development	• CSR Policy
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner	Our Core Values : Agility, Customer First, Integrity, Sustainability • Environment, Occupational Health and Safety Policy (EOHS Policy)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) :

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	**Not Applicable**								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- **Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:**
  Various principles of BR Performance constitute an integral part of the day-to-day operations of the Company and the same are reviewed by the Board/Committees as and when required.
- **Publication of BR or a Sustainability Report and its frequency:**
  This is the Third Business Responsibility Report of the Company and it forms part of the Company's Annual Report for the financial year 2021-22. The same can be accessed at www.zuari.in.

Section E : Principle-Wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability :

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.

Does it extend to the Group/Joint Venture/Suppliers/Contractors/NGOs/Others?

The Company fosters a work culture with high ethical principles and standards and encourages its employees to perform with total integrity, commitment and ownership. Commitment to ethical and lawful business conduct is a cornerstone of Zuari's business practices. It is a fundamental shared value among the Board of Directors, the senior management and all the employees in the company. The Company has adopted the 'Code of Conduct' (Code), to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders in a sustainable manner. The code embodies the belief that being aware of the Company's responsibility towards its stakeholders and acting with the Company's legitimate interest in mind, is essential for the Company's long-term excellence. All Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

Most of the policies are communicated to the employees upon joining as well as through seminars. The Company has well established policies in accordance with the statutory guidelines and the relevant SEBI Regulations.

- Policy on prevention of Sexual Harassment at workplace,
- Whistle Blower Policy,
- Nomination and Remuneration Policy,
- Subsidiary Policy,
- Code of Fair disclosure of unpublished price sensitive information,
- Code of Conduct for directors,
- Archival Policy,
- Policy on Board Diversity,
- CSR Policy,
- Code of conduct and Ethics for employees of the Company,
- Policy on determination of materiality of event,
- Policy on preservation of documents,

- Risk Management Policy,
- Dividend Distribution Policy,
- Policy and procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information,
- Related Party Transactions & Code of Conduct to Regulate, Monitor and report Trading in Securities of the Company.

The above Company policies can be accessed from the Company's website https://www.zuari.in. The Company's philosophy on Corporate Governance envisages an attainment of the highest level of transparency and accountability. It is aimed at safeguarding and adding value to the interests of various stakeholders. The Company is committed to the best Corporate Governance and continues with its initiative towards the best Corporate Governance Practices.

The Company ensures selection of vendors and contractors, who maintain and follow ethical standards. The Company endeavors' to impart periodical training on Ethics to its employees.

2. How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.

   During the year 2021-22, no complaints were received by the Ombudsman under Whistle Blower Policy.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle :

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Jai Kisaan Urea (Neem Oil Coated)

   (b) Jai Kisaan Sampurna (19:19:19)

   (c) Micronutrients, Secondary Nutrients and Organic Fertilizers

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   It is well established that Neem Oil Coated Urea improves the Nitrogen Use Efficiency (NUE) through delaying the Nitrification process (sustained use/availability). This induces lesser application of Urea (Kg/ha). The Neem Coated Urea is thus supplied in 45 Kg bags unlike other fertilizers which are packed in 50 Kg bags.

   JK Sampurna (19:19:19) is most balanced NPK with 1:1:1 formulation of the primary nutrients. It is a Urea based NPK which is a unique grade only manufactured by ZACL in the country. The Nitrogen in the grade is available in both Ammoniacal and Amide (Urea) forms. As mentioned all three nutrients is made available to the soil leading to its balanced nutrition.

   In addition to the Bulk Fertilizers, Micronutrients like Zinc, Boron etc, Secondary Nutrients such as Calcium, Sulphur are available under the Jai Kisaan Brand tending towards the 4R Nutrient Stewardship. Also, Organic Fertilizers such as Compost, Humic Acid, PROM (Phosphate Rich Organic Manure) and PDM (Potash Derived from Molasses) are also sold.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes.

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   All bulk Raw Materials viz. Ammonia, Urea, Phosphoric acid, Potash, Sulphuric Acid as well as other Chemicals and Consumables are sourced in a sustainable manner by transporting through authorized handling & transportation agencies/contractors. The capacity of Road Tankers has been optimally enhanced such that the Carbon Footprint of transportation of these Raw Materials is minimized to the greatest extent possible. The transportation is carried out in a safe manner to prevent any spills or leaks enroute to the factory. The Natural gas is directly supplied through the Dabhol-Bangalore Pipeline (DBPL) (Spur line from Gokak to Goa) which has substantially reduced the environment risk of transportation to bare minimum and therefore the system is highly sustainable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes. The Company procures Bags for packaging of fertilizers from local supplier. Besides, the Company engages the services of many Mechanical, Civil, Electrical and Instrumentation Contractors of local origin within the state of Goa.

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company encourages and develops local contractors and service providers to build capacity/capability so that preference for award of contract for goods and services to them in line with "Vocal for Local". Infact, in the past year, the Company have identified many local contractors who were awarded contracts for supply and services for the first time.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has an established protocol/mechanism and facility to recycle its fertilizers within its production facilities plants, in case of any spillage during storage/handling. The Company adopts the 3-R Principle i.e. "Reduce, Reuse, Recycle" for effective waste management. The wastes of various categories namely hazardous, plastic, e-wastes, bio-medical wastes collected in a segregated and safe fashion is sent (authorized and qualified transportation agencies) to appropriate and authorized recyclers and handlers as mandated by CPCB/GSPCB. The Sludge generated from ETP, WTP and other sources are recycled in the NPK Plants as Filler material. The Company has registered as Brand Owner with CPCB with respect to Plastic Waste Management Rule 2016 to collect, transport and recycle the entire plastic waste generated in the market with the help of a third party. The Company has already registered with the Goa TSDF which once operational, the waste of appropriate category would be sent to instead of state transboundary movement.

Principle 3: Businesses should promote the wellbeing of all employees :

1. Please indicate the total number of employees.

   During the year 2021-22, there are 624 Permanent manpower.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   Around 799 employees hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.

   The number of permanent woman employees is 19.

4. Please indicate the Number of permanent employees with disabilities.

   The number of permanent employees with disabilities is NIL.

5. Do you have an employee association that is recognized by management.

   There are 5 employee associations across the manufacturing locations of the Company, with nearly 17% Non-Management Staff being members of it.

6. What percentage of your permanent employees is members of this recognized employee association?

   The percentage of permanent employees who are members of this recognized associations are nearly 17% Non-Management Staff.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   The Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	**NIL**	**NIL**
2	Sexual harassment	**NIL**	**NIL**
3	Discriminatory employment	**NIL**	**NIL**

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   During the FY 2021-22 the various training/learning sessions conducted to various employees as follows:

   (a) Permanent Employees : 69.2%

   (b) Permanent Women Employees : 68.4%

   (c) Casual/Temporary/Contractual Employees : 95.0%

   (d) Employees with Disabilities : NIL

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized :

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes, over the years of Company's existence, the company has mapped its internal (like employees, shareholders) as well as external (such as community and customers etc.) stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes, the Company has identified its disadvantaged, vulnerable & marginalized stakeholders among the communities in the vicinity of the plant location in Goa.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Yes, Special initiatives in education, livelihoods and skills development are taken up under the Corporate Social Responsibility of the company for the upliftment of disadvantaged, vulnerable and marginalized sections of the society. The details of such activities are available on Company's website. Additionally, at the state level, company's initiative of GAIN (Goa Agri Initiative) provides a platform for small & marginal farmers for knowledge, resource sharing on farm advisory, and promotes adoption & replication of innovative and improved farming practices.

Principle 5: Businesses should respect and promote human rights :

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? To the Group
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? No complaint was received pertaining to human rights violation during 2021-22

Principle 6: Business should respect, protect, and make efforts to restore the environment:

The Company is committed to the Environmental Protection to sustain the pollution free environment and maintain ecological balance. More emphasis is given to safeguard the environment in and around the complex and to ensure that all statutory requirements with respect to Pollution control are complied with. This is achieved by responsible use of natural resources through effective implementation of Integrated Environment and Occupational Health & Safety Management System. **The Company is an ISO 14001:2015 and ISO 45001:2018 certified company**. The Environment, Health and Safety (EHS) Policy of ZACL covers company, contractors and public implementing sustainable development, high safety, health and environmental performance in line with ISO 14001:2015 and ISO 45001:2018 standards.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Safety, Health and Environment Policy covers the Company, Contractors and the public. The Company strives to implement sustainable development measures along with achieving a high level of safety, health and environmental performance.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.

   The Company has completed the Feed and Fuel change over from Naphtha to NG/RLNG in Ammonia plant and Fuel changeover from Furnace Oil to NG/RLNG in Utilities Boilers with effect from September, 2013. The Feed/Fuel changeover has substantially reduced the Carbon Footprint of the Company's Operations. Further effective 1st January, 2022, the Company has stopped the usage of HFO and switched to LSHS/VLSFO in the DG Set. This step will reduce the SOx emissions significantly.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. The Company identifies and assesses potential environmental risks by auditing all the operating plants, storage areas through both external Safety Auditing teams in line with ISO 14001:2015 and ISO 45001:2018.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   All relevant Environmental Compliance reports are filed. The Company is currently embarking on an Energy Savings Project in the Ammonia plant in order to be compliant with the preset energy norms set forth by Department of Fertilizers, Government of India in the NUP (New Urea Policy)-2015 at the existing/approved capacities in the EC (Environmental Clearance)/CTO (Consent to Operate). The revamped Scrubbing Systems in the NPK-A and NPK-B Plants have been very effective such that the Ammonia emissions are well below the prescribed emission norms.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   As a part of commitment for preservation of environment and ecology, ZACL is a zero Liquid discharge Unit since 1990. By adopting the 3-R concept of Reduce (at source), Reuse and Recycle; the effluent discharge level from the unit has been brought down to zero. Old conventional motors are being replaced with energy efficient (IE3) motors at several locations in the plant in a phased manner. The Company is the first company in country, to Install the Vibropriller to improve product Urea prill quality and also to reduce Urea dust emission from Prilling Tower. The Company is currently embarking on an Energy Savings Project in the Ammonia plant in order to be compliant with the preset energy norms set forth by Department of Fertilizers, Government of India in the NUP (New Urea Policy)-2015 at the existing/approved capacities.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes. The Company continues to maintains the ZLD status. CEMS has been installed and are hooked up to the CPCB/GSCPB on real-time basis and the emissions are well within the prescribed norms.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   NIL.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner :

The Company engages in policy advocacy in a responsible manner through its membership in various industry forums & associations. The Company works with apex industry institutions that are engaged in policy advocacy, like the

1. Fertilizer Association of India (FAI)
2. Confederation of Indian Industry (CII)
3. Goa Chamber of Commerce & Industry

Some of our Directors are also on the Board of Fertilizer Association of India. These enable the Company to contribute to policies and opinions concerning the industry.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, the Company has specified programs in support of inclusive growth and equitable development. It is the endeavour of the Company to ensure that there is a continuous improvement in its economic, environmental and social performance. The Company is a people's driven organization, and employees' recognition is based on merit and skill, with zero discrimination based on gender, class, caste, creed or religion. All CSR programs of the Company are directed towards social and economic need of the marginalized communities. Focus of these programs primarily covers, Livelihoods, Skills Development, Water, Sanitation and Hygiene (WASH). The details of CSR initiatives undertaken by the Company are provided in **Annexure H** of Directors Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Company CSR projects and initiatives are implemented through credible external NGO partners and in-house team.

3. Have you done any impact assessment of your initiative?

   Yes, the impact assessment of specific CSR programs are conducted in-house with support from the implementing partners.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   The total contribution towards CSR for the year 2021-22 is INR 40.27 Lakhs. The details of projects have been provided in **Annexure H** of the Directors Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes, the CSR programs carried out by the Company are implemented in close consultation and participation from the community. The process of baseline survey, needs assessment and prioritization of community needs, ensures the effectiveness and community ownership of the CSR projects. The CSR projects are closely monitored by company's CSR coordinator and a committee of five experts (including personnel from Health, Environment department), for achieving the program objectives. The details on 'Corporate Social Responsibility' are provided in **Annexure H**.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Nil for fertiliser business.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   The declarations on the company's product packaging are printed as per the applicable laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No case has been filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last 5 years.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

   The Company has not carried out any consumer survey/consumer satisfaction trends survey during 2021-22.

ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To,
The Members,
Zuari Agro Chemicals Limited
Jai Kisaan Bhawan,
Zuarinagar, Goa – 403 726

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zuari Agro Chemicals Limited** (herein after called as the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2022 (hereinafter referred to as the "Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 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 (*provisions of external commercial borrowing and Overseas Direct Investment not applicable to the Company during the Audit Period*);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*; (Not applicable to the Company during the audit period);*
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 *(Not applicable to the Company during the audit period);*
   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 *(Not applicable to the Company during the audit period);*
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not applicable to the Company during the audit period);* and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not applicable to the Company during the audit period).*

vi. The following laws and Regulations applicable specifically to the Company (as per the representations made by the Company) viz.,
   a) Essential Commodities Act, 1955;
   b) Fertilizer (Control) Order, 1985 and Fertilizer (Movement Control) Order, 1973;
   c) Explosives Act, 1884;
   d) Static and Mobile Pressure Vessels (Unfired) Rules, 1981; and
   e) The Legal Metrology Act, 2009.

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

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

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Director as prescribed. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings including committees thereof along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors.

The decisions were carried unanimously.

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

I further report that during the audit period following specific events that took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards:

a. The following Resolutions were passed by way of Postal Ballot on April 07, 2021–

   (i) Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited under Section 180 (1) (a) of the Companies Act, 2013; and

   (ii) Sale of Company's fertilizer plant at Goa and associated businesses of the Company to Paradeep Phosphates Limited under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013.

b. The Company had received a requisition under Section 100(2) of the Companies Act, 2013 from a group of shareholders holding 10.69% of its equity share capital, requesting the Board to call for an Extraordinary General Meeting (EGM) to discuss matters including proceeding against the two Business Transfer Agreements (BTA) dated 1st March, 2021 and 31st March, 2020. The EGM was called on June 23, 2021 by the Board of Directors. However, the requisite quorum was not present at the EGM. The EGM of the Members of the Company called by the requisitionists under Section 100, was cancelled for want of quorum as stipulated under Section 103(2) (b) of the Companies Act 2013.

c. A group of shareholders of the Company holding 10.69% of its equity share capital have filed a petition dated 12th May, 2021 in National Company Law Tribunal (NCLT), Mumbai for cancellation of BTAs. As on date, the petition is yet to be heard.

d. The Company has passed special resolution at the Annual General Meeting held on September 17, 2021 approving waiver of recovery of excess remuneration paid to Mr. Sunil Sethy, Managing Director for Financial Year 2020-21. Also, as explained in Note 47 of the standalone financial statements, the Company has recognized ₹81 Lakhs as recoverable from then Managing Director Mr. Sunil Sethy as at March 31, 2020.

e. Amount Receivables of ₹350 crores from Zuari Farmhub Limited (balance purchase consideration pursuant to Business Transfer Agreement dated 31st March, 2020) was converted into 3,50,000 Compulsorily Convertible Debentures (CCDs) of ₹10,000 each, ranking pari passu with the existing 4,35,560 CCDs of ₹10,000 each (aggregating to ₹435.56 crores) which were allotted by Zuari Farmhub Limited as part settlement of total purchase consideration of ₹785.56 crores, as per the Business Transfer Agreement dated 31st March, 2020.

f. Vide resolution dated February 23, 2022, the Board of Directors approved the issue of unrated, unlisted, redeemable, non-convertible Debentures on private placement basis of the value of ₹1500 crores in one or more tranches, of which debentures of the value of ₹900 crores where allotted on February 25, 2022.

Shivaram Bhat
Practising Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454D000422437

Place: Panaji, Goa
Date : 29th May, 2022

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws/regulations/guidelines listed in our report of which, the due date has been ended/ expired on or before March 31, 2022 pertaining to Financial Year 2021-22.

'ANNEXURE A'

(My report of even date is to be read along with this Annexure)

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

Shivaram Bhat
Practising Company Secretary
ACS10454 CP7853 PR1775/2022
UDIN: A010454D000422437

Place: Panaji, Goa
Date : 29th May, 2022

ANNEXURE 'H' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Brief outline on CSR Policy of the Company.

   Zuari Agro Chemicals Limited (ZACL), is part of Adventz Group of Companies and its CSR projects and initiatives are guided by the group CSR Policy, and reviewed closely by the CSR Committee instituted and adopted by the Board of Directors as per "Section 135 of the Companies Act, 2013".

   Driven by our passion to make a difference to society, the Company is committed to upholding the highest standards of corporate social responsibility, and has continued its progress on community initiatives with renewed vigour and devotion.

   As a responsible business corporation, we have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal needs in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also in society at large. Our initiatives include skills development, promotion of rural development, healthcare & WASH (Water, Sanitation and Hygiene), and Education.

   As a responsible business corporation, our company has built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal need gaps in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also society at large.

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.	L.M. Chandrasekaran*	Chairman	Non-Executive Independent Director	1	1
2.	Akshay Poddar	Member	Non–Executive Director	1	1
3.	N. Suresh Krishnan	Member	Non–Executive Director	1	1
4.	Nitin M. Kantak*	Member	Executive Director	1	1

*w.e.f. 7th May, 2021

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: http://zuari.in/investor/corporate_governance
   - Weblink to Composition of CSR committee http://www.zuari.in/investor/committees_of_board

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): N.A.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)

6. Average net profit of the company as per Section 135(5) : ₹(24,589) lakhs.

7. (a) Two percent of average net profit of the company as per Section 135(5) : NIL
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (c) Amount required to be set-off for the financial year, if any : NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. **(a) 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	Date of transfer	Name of the Fund	Amount	Date of transfer
₹40.27 Lakhs (Rupees Forty Lakh, Twenty Seven Thousand Only)	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: N.A.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1	'SAHYOG' Sanitation, Education and Health Project	(i), (ii), (iii), (x),	Yes	Goa	South Goa	11.73	NO	MARGDARSHAK DEVELOPMENT SERVICES	CSR00008792
2	Supply of Safe Drinking Water to villages	(i)	Yes	Goa	South Goa	22.39	YES	-	
3	Scholarships for promoting secondary and higher education	(i)	Yes	Goa	South Goa	0.38	YES	-	
4	Emergency Support to Community during COVID-19	(xii)	Yes	Goa	South Goa	5.77	YES	-	
	TOTAL					**40.27**			

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year : (8b+8c+8d+8e)= ₹40.27 Lakhs

(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	₹40.27
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹40.27
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	₹40.27

9. **(a) Details of Unspent CSR amount for the preceding three financial years: NIL**

Sl. 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.							
2.							
3.							
	TOTAL						

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated forthe project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s) : None

    (b) Amount of CSR spent for creation or acquisition of capital asset: NIL

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

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

    The Company was not required to spend under CSR for the FY 2021-22, however, the Company spent a sum of ₹40.27 Lakhs (Rupees Forty Lakh and Twenty Seven Thousand Only) for CSR Activities during the FY 2021-22.

Date: 29th May, 2022

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

ANNEXURE 'I' TO THE DIRECTORS' REPORT

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 2021-22:

S.No.	Name of the Director	Ratio of the remuneration of Directors to the median remuneration of the employees of the Company
1.	Saroj K. Poddar – Chairman*	Nil
2.	Nitin M. Kantak – Executive Director	1:14
3.	N. Suresh Krishnan – Non-Executive Director*	Nil
4.	Akshay Poddar – Non-Executive Director*	Nil
5.	Marco Wadia – Independent Director*	Nil
6.	Dipankar Chatterji – Independent Director*	Nil
7.	L. M. Chandrasekaran – Independent Director*	Nil
8.	Reena Suraiya*#	Nil

*were paid sitting fees for attending the Meetings.

#w.e.f. 24th June, 2021

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year:

S.No.	Name of the Director	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
1	Saroj K. Poddar – Chairman*	Nil
2	Nitin M. Kantak – Executive Director	5.60%
3	N. Suresh Krishnan – Non-Executive Director *	Nil
4	Akshay Poddar – Non-Executive Director *	Nil
5	Marco Wadia – Independent Director*	Nil
6	Dipankar Chatterji – Independent Director*	Nil
7	L. M. Chandrasekaran – Independent Director*	Nil
8	Reena Suraiya – Independent Director*^	Nil
9	Raj Kumar Gupta – Chief Financial Officer	5.60%
10	Vijayamahantesh Khannur – Company Secretary**	N.A.

* were paid sitting fees for attending the Meetings during the Financial Year.

** not on Company roll.

^ appointed as Director w.e.f. 24th June, 2021.

(iii) The percentage increase in the median remuneration of employees in the financial year: 6.28%

(iv) The number of permanent employees on the rolls of Company:

There are 624 permanent employees on the rolls of the Company during the financial year.

(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:

Other than the managerial personnel and KMP, the employees were given increment of 7% on an average.

There were no exceptional circumstances for increase in the managerial remuneration.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

Date: 29th May, 2022

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

ANNEXURE 'J' TO THE DIRECTORS' REPORT

Statement of Particulars of Employees of Zuari Agro Chemicals Limited Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment (DOJ)	The age of such employee DOB	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
A) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees										
1.	Nitin M. Kantak	Executive Director	₹1.23 Cr.	Permanent	B.Tech.	27th Jan 2019	13 Dec 1959 (62 Yrs.)	Paradeep Phosphates Limited	Nil	NA
B) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month										
1.	Madan Pandey	President – Agri. Business	₹1.03 Cr.	Permanent	BE & PGDM	01st Nov 2018	30 Oct 1971 (50 Yrs.)	Emami	Nil	NA

For and on behalf of the Board of Directors

Date : 29th May, 2022

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

ANNEXURE 'K' TO THE DIRECTORS' REPORT

Form No. AOC - 2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which were not at arm's length basis during the year ended March 31, 2022.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   There details of material contracts/arrangements or transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 and Reg 23 of SEBI (LODR) Regulations, 2015 are given below. The Company has also entered into transactions with related parties at arm's length, the details of which are given in the notes to financial statements.

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of contract	Salient terms of the contracts or arrangements or transactions including the value, if any:	Dates of Approval by the Board & shareholders	Amount paid as advances, if any
Paradeep Phosphates Limited (PPL)	Subsidiary of our Joint Venture, Zuari Maroc Phosphates Private limited	Sale of Company's fertilizer plant at Goa and associated businesses of the Company to PPL on slump sale basis for an agreed valuation of USD 280 million	-	Enterprise valuation of ZACL Goa plant, related factory land and associated assets as arrived as at 31.03.2020: USD 280 million [INR 2,052,25,44,000 (Rupees Two thousand fifty two crores twenty five lakhs and forty four thousands only) converted at an exchange rate @ ₹73.2948/USD, as on the date of execution of business transfer agreement i.e. March 1, 2021, to be suitably adjusted for working capital changes at the date of actual transfer and other agreed items **Settlement of closing consideration:** Part financed (approx. INR 1000 crs) from Public issue and balance from loans & internal accruals. Outstanding amount by ZACL to PPL and any loans of ZACL that get transferred to PPL, would be reduced from the closing consideration etc.	22-02-2021 & 07-04-2021	₹399 Cr.

For and On behalf of the Board of Directors

Date: 29th May, 2022

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

ANNEXURE 'L' TO THE DIRECTORS' REPORT

Form AOC-1

PART A

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sr. No.	Particulars	Details		
1.	Name of the Subsidiary	Mangalore Chemicals & Fertilizers Limited (MCFL)	Adventz Trading DMCC	Zuari Farmhub Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ in lakhs	AED Exchange Rate 20.2870	₹ in lakhs
4.	Share Capital	11,854.87	50,000	1.00
5.	Reserves & Surplus	56,452.12	(51,29,333)	(25,026.28)
6.	Total Assets	2,71,890.44	7,93,836	30,451.46
7.	Total Liabilities	2,03,583.45	58,73,169	55,476.74
8.	Investments	-	-	-
9.	Turnover	2,89,558.30	2,76,654	69,299.00
10.	Profit before Taxation	13,466.01	(21,45,550)	1,952.58
11.	Tax Expense/(credit)	4,679.88	0	(69.61)
12.	Profit after Taxation	8,786.13	(21,45,550)	2,022.19
13.	Proposed Dividend	1,422.18	0	0
14.	% of shareholding	54.03%	100%	100%

Note 1 : Names of subsidiaries which are yet to commence operations - Nil.

Note 2 : Names of subsidiaries which have been sold during the year - Nil.

For and on Behalf of the Board of Directors

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
ACS 19257

Date: 29th May, 2022

PART B

Statement containing salient features of the Financial Statement of Joint Venture & Associates

(Pursuant to proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

		Joint Venture
	Name of the Company	**Zuari Maroc Phosphates Private Limited (Consolidated) (₹ in lakhs unless otherwise stated)**
1.	Latest audited Balance Sheet	31st March, 2022
2.	Shares of Joint Ventures held by the Company on the year end	50%
	No. (No. of Shares)	17,98,16,228
	Amount of Investment in Joint Venture	17,981.62
	Extent of Holding	50%
3.	Description of how there is significant influence	Based on the Percentage of Holding in the Joint Venture Company
4.	Reason why the Joint Venture is not consolidated	Not Applicable
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	1,07,862.44
6.	Profit/(Loss) for the year {Profit/(Loss) after Tax}	39,854.20
	i. Considered in Consolidation	16,032.62
	ii. Not Considered in Consolidation	23,821.58

Note 1: Associates or Joint Ventures which are yet to commence operations-None

Note 2: Joint Ventures which have been sold during the year-None

For and on Behalf of the Board of Directors

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
ACS 19257

Date: 29th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Agro Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zuari Agro Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 49 in the accompanying standalone financial statements, which states that in addition to net current liability position as at March 31, 2022, there are events or conditions which indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. It also describes the mitigating factors considered by the management in its assessment, in view of which the accompanying standalone financial statements have been prepared under the going concern assumption.

Our opinion is not modified in respect of this matter.

Emphasis of Matters

a. We draw attention to Note 48 of the accompanying standalone financial statements, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Company.

b. We draw attention to Note 43 of the accompanying standalone financial statements, wherein the Company is carrying a receivable of INR 1,949.03 lakhs in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Company, the management believes that the amount is fully recoverable from the department of fertilizers. Pending settlement of the differential subsidy amount as more fully explained in note, the Company has not made any provision in this regard in the accompanying standalone financial statements.

c. We draw attention to Note 7 of the accompanying standalone financial statements, regarding Goods and Services Tax ('GST') credit on input services recognized by the Company, which the management has assessed to recover based on the legal opinion obtained by the Company. The Company has also filed a writ petition in the High Court of Bombay at Goa.

Our opinion is not modified in respect of above matters.

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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impact of government policies/notifications on recognition of concession income and their recoverability (as described in Note 19 and 9 of the standalone financial statements)	
The Company recognises concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilizers at the time of sale of goods to its customers. During the current year, the Company has recognised concession income of INR 1,75,542.74 lakhs and as at March 31, 2022, the Company has receivables of INR 51,665.97 lakhs relating to concession income. We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of interpretation of various notifications from the Department of Fertilizers. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of variation in the related computation rates and basis for determination of accruals of concession income. Accordingly, this matter has been determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: Read the relevant notifications and policies issued by Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognised pursuant to changes in the rates and basis for determination of concession income. Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the concession income. Evaluated the management's assessment regarding compliance with the relevant conditions as specified in the notifications and policies and collections of concession income. Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends. Assessed the related disclosure in standalone financial statements.
Discontinued Operations and Asset held for sale in relation to Sale of its Fertilizer plant at Goa to Paradeep Phosphates Ltd (PPL), subsidiary of Company's Joint Venture (as described in Note 28 of the standalone financial statements)	
During the previous year, the Company has entered into a Business Transfer Agreement (BTA) for the sale of Company's fertilizer plant at Goa and associated businesses of the Company to PPL as a going concern, on a slump sale basis for an agreed enterprise value of INR 205,225.44 lakhs and for entering into necessary Business Transfer Agreement with PPL. As at March 31, 2022, the Company has presented the operations of its Fertilizer plant as "Discontinued Operations" and its related assets as "Assets held for sale" and liabilities as "Liabilities directly associated with the assets held for sale" in accordance with Ind AS 105 (Non-current Assets held for Sale and Discontinued Operations). We focused on this area considering that this was a significant event during the year. Accordingly, this matter has been determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: Evaluated the design and tested the operating effectiveness of the controls over the accounting of this transaction. Obtained the management's valuation report for the sale consideration and compared the same with the carrying value of the underlying assets. We gained an understanding of the BTA. Our focus was on understanding the contractual terms associated with the sale of Fertilizer plant at Goa and its associated businesses, which define the assets and liabilities to be transferred and, in particular, any liabilities or obligations retained or created. Reviewed the accounting treatment for the said transaction. Checked the related computation for disclosures of discontinued operation and held for sale and evaluated that they have been appropriately separated from continuing operations. Assessed the adequacy of the related disclosures in the standalone financial statements.
Estimates with respect to recognition of deferred tax assets on unused tax losses (as described in Note 17 of the standalone financial statements)	
As at March 31, 2022, the Company has recognized deferred tax assets of INR 6,741.16 lakhs in the standalone financial statements. Deferred tax assets are recognized on unabsorbed tax losses when it is probable that taxable profit will be available against which such tax losses can be utilized. The Company's ability to recognize deferred tax assets on unabsorbed tax losses is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the assumptions on which such projections are determined by the management. Given the degree of estimation based on the projection of future taxable profits, management's decision to create deferred tax assets on unabsorbed tax losses has been identified to be a key audit matter.	Our audit procedures included the following: Gained an understanding of the deferred tax assessment process and assessed the design and tested the operating effectiveness of controls over recognition of deferred tax. Discussed and evaluated management's assumptions and estimates like projected revenue growth, margins, etc. in relation to the probability of generating future taxable income to support the utilization of deferred tax on unabsorbed tax losses with reference to forecast taxable income and performed sensitivity analysis. Tested the arithmetical accuracy of the model. Assessed the related disclosures in respect of the deferred tax assets in the standalone financial statements

Impairment assessment of Investment in subsidiaries (as described in Note 6A and 6C of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
During the current year, impairment indicators were identified by the management on its investment in its subsidiaries (i) equity of INR 54,112.37 lakhs in Mangalore Chemicals and Fertilizers Limited; and (ii) compulsory convertible debentures of INR 78,556.00 lakhs in ZuariFarmHub Limited. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised. For the purpose of the above impairment testing, value in use has been determined by forecasting future cash flows considering the impact of the economic uncertainties arising from COVID-19 on the discount rates. Further more, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Further, the determination of the recoverable amount of the investment involved judgement due to inherent uncertainty in the assumptions supporting the recoverable amount of the investment. Accordingly, the impairment of investment in subsidiaries has been determined as a key audit matter.	Our audit procedures included the following: Assessed the analysis of internal and external factors impacting Company's investment, whether there were any indicators of impairment in line with Ind AS 36 "Impairment of Assets". Gained an understanding of the impairment assessment process and evaluated the design and tested the operating effectiveness of controls in respect of process of comparing the carrying value of the investments to their recoverable amount to determine whether an impairment was required to be recognized. Assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we obtained and evaluated the valuation models used to determine the recoverable amount by challenging the key assumptions used by management including: • With the assistance of specialist, we assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used in consideration of current and estimated future economic conditions including the impact of COVID-19 on discount rates. Corroborating the price assumptions used in the models against analyst consensus. • Tested the weighted average cost of capital used to discount the impairment models through engaging valuation experts. • Discussed potential changes in key drivers as compared to previous year/actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • Tested the integrity of the models together with their clerical accuracy. Assessed the recoverable value by performing sensitivity testing of key assumptions used. Evaluated the competence, professional qualification, objectivity and independence of Company's specialists involved in the process. Assessed the related disclosures in this regard in the standalone financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and Extract of Annual Return and Secretarial Audit Report, which is expected to be made available to us after that date.

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 such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern (refer Note 49 of the accompanying standalone financial statements) and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements (refer paragraph on Material Uncertainty Related to Going Concern above) 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 for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) 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.

Further, as explained in Note 47 of the standalone financial statements, managerial remuneration for the year ended March 31, 2020 in relation to the Managing Director of the Company was paid in excess of the limits provided in provisions of Section 197 read with Schedule V to the Act by INR 81.00 lakhs without obtaining requisite approvals from the banks/financial institutions and which was subject to shareholders approval by a special resolution and pending which the Company recognised a recoverable of INR 81.00 lakhs from the Managing Director as at March 31, 2020. The requisite approvals from the banks/financial institutions and shareholders are yet to be obtained.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Educationand Protection Fund by the Company.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company

or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that theCompany shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407
UDIN : 22228407AJVMGT2588

Place : Bangalore
Date : May 29, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Zuari Agro Chemicals Limited ("the Company")

(i) a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

B. The Company has maintained proper records showing full particulars of Intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, PPE have not been physically verified by the management during the year but there is a regular programme of verification, once in every two years which, 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 material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except below mentioned for which title deeds are not in the name of the Company and conveyance deeds in respect of the same are yet to be executed in the name of the Company.

Particulars	Description	Gross Carrying Value	Title deed in the name of	Whether title deed holder is promoter, director or relative	Period	Reason for not held in the name of company
Freehold Land	Land	23.08	Communidade of GOA/ Jagdish Chowgule/Jose Robello	No	2011-12	Mutation is in process

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 has been physically verified by the management during the year. 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 10% or more in the aggregate for 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 on the basis of security of current assets. We have observed differences between the quarterly returns or statements filed by the Company with such banks & as per the books of account of the Company. The statement provided to bank is on gross basis (without netting off accounting provision like ECL) and other regrouping adjustments. We are of the opinion that explanation provided by the management is found satisfactory.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made Investments to one of its subsidiary during the year by way of purchasing 3,50,000 Compulsorily Convertible Debentures (CCDs) of Rs. 10,000 each. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company. During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

A. Based on the audit procedures carried on by us and as per the informationand explanations given to us, the Company has granted loan to one of its subsidiary.

Particulars	Amount (In lakhs)
Aggregate amount duringthe year – Others	Nil
Balance outstanding as at balance sheet date	199.12

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted loans to a party other than subsidiaries.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are primafacie, not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

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d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

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 given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of fertilisers and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

b. According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the records of the Company, the dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the Statute	Name of the Dues	Contingent Liability as on 31-03-2022	Amount - deposits	Amount (in INR lakhs) - CARO 3-03-2022	Period to which amount relates	Forum where Dispute is pending
Income Tax Act,1961	Disallowance on account of - Section 14A - loss on sale of fertiliser bond - Interest free advances to group concerns	1,519.66	-	1,519.66	2011-12	Income Tax Appellate Tribunal
Income Tax Act,1961	Disallowance on account of - Section 14A - Interest free advances to group concerns	320.88	-	320.88	2012-13	Income Tax Appellate Tribunal
Income Tax Act,1961	Disallowance under Section 14A	292.20	-	292.20	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of claim under Section 115JB(2C) and disallowance of depreciation on Goodwill	12.95	2.60	10.35	2017-18	Commissioner of Income Tax (Appeals)
Custom Act,1962	Demand for differential custom duty	530.14	8.10	522.04	24-03-2011 to 02-12-2011 01-04-2001 to 28-02-2006 2002-03 to 2003-04 2006-07 to 2008-09	CESTAT
Custom Act,1962	Demand for wrongful availment on exemption notification based on SEIS scrips	140.52	-	140.52	2015-2017	Additional Director - DRI
Rajasthan Value Added Tax, 2003	Excess Input Credit Availed.	22.33	-	22.33	2011-12	Commercial Tax Department, Rajasthan
Rajasthan Value Added Tax, 2003	Excess Input Credit Availed.	9.77	-	9.77	2013-14	Commercial Tax Department, Rajasthan
UP Vaue Added Tax 2008	Demand notice on suppression of turnover as well as purchase	52.76	54.25	-	2009-10	Additional Commissioner (Appeals)

Name of the Statute	Name of the Dues	Contingent Liability as on 31-03-2022	Amount - deposits	Amount (in INR lakhs) - CARO 3-03-2022	Period to which amount relates	Forum where Dispute is pending
UP Vaue Added Tax 2008	Difference in Tax rate on DAP	16.40	18.04	-	2013-14	Joint Commissioner Appeals
UP Vaue Added Tax 2008	Exparte Order assessment done and demand raised	14.34	10.00	4.34	May-16 to July-16, Sep-16, Oct-16, Dec-16	Joint Commissioner Appeals
UP Vaue Added Tax 2008	Penalty Order received for delay in payment of tax	9.23	-	9.23	2016-17	Joint Commissioner Appeals
TG VAT Act 2005	Short ITC reversal on stock transfers	8.85	-	8.85	2013-2017	Joint Commissioner Appeals
UP Vaue Added Tax 2008	Exparte Order assessment done and demand raised	67.00	-	67.00	2016-17	Commercial Tax department, UP
MVAT Act 2002	Demand on suppression of sale and disallowance of ITC on purchases	257.88	12.62	245.27	2016-17	Joint Commissioner Appeals
CST Act 1956	Demand on non-submission of supporting documents for F Form	7.62	0.39	7.23	2016-17	Joint Commissioner Appeals, Maharashtra
CST Act 1956	Demand on non-submission of supporting documents for F Form	7.62	0.37	7.26	2017-18	Joint Commissioner Appeals, Maharashtra
MVAT Act 2002	Demand on suppression of sale and disallowance of ITC on purchases	7.65	0.35	7.30	2017-18	Joint Commissioner Appeals
CST Act 1956	Demand on non-submission of supporting documents for F Form	2.09	-	2.09	2016-17	Sales Tax Officer, Bhubaneswar
CGST – Goa	Recovery of excess refund claimed on ITC on services	2,767.33	2,767.33	-	2017-18	High Court of Bombay at Goa
CGST – Goa	Interest on recovery of excess refund claimed on ITC on services	756.26	756.26	-	2017-18	GST Additional Commissioner
GST – Gujarat	Demand for refund issued errorneously	492.49	-	492.49	Aug-17	High Court, Gujarat
Goa Green Cess	Non registering under Goa Green Cess Act 2013	4,291.34	429.14	3,862.20	2013-2019	Additional Commissioner (Appeals) & High Court of Bombay at Goa
AP VAT Act	Non submission of F form for stock transfers	-0.00	45.00	-		

(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 dues to banks, financial institutions and debenture holders.

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 wilful defaulter by any bank or financial institution or other lender.

c. 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 the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, the company has raised loans during the year on the pledge of securities held in its subsidiary.

Nature of Loan taken	Amount of loan (in Lakhs)	Name of Subsidiary	Details of Security pledged	Outstanding balance (in Lakhs)
Non-Convertible debentures	9,000	Mangalore Chemicals & Fertilisers Limited	2,48,14,286 Equity Shares	9,000
Inter Corporate Deposit	5,500	Mangalore Chemicals & Fertilisers Limited	1,55,50,000 Equity Shares	4,810

(x) a. The Company has not raised any money 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. The Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partially or optionally convertible) during the year under review and hence, reporting requirements under clause 3(x) (b) 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, considering the principles of materiality outlined in Standards on Auditing, we report that 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 Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of 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 and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) a. 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 explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) a. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

b. The Company is not a Non-Banking Financial or Housing Finance activities as defined in regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly the provisions of Para 3(xvi)(c) is not applicable.

d. As per the information and explanations given to us, there are no Core Investment Companies as part of the Group. Accordingly the provisions of Para 3(xvi)(d) is not applicable.

(xvii) The company has incurred cash losses in the current and in the immediately preceding financial year.

Details of Cash Losses

Particulars	**FY 2021-22**	**FY 2020-21**
Loss after tax	-8,345.08	-23,712.19
Depreciation and amortization	353.05	4,282.59
Interest charges as per Ind AS 116	147.63	151.45
Cash losses	**-7,844.4**	**-19,278.15**

(xviii) There was no resignation of the statutory auditors however; during the year previous statutory auditors of the Company (S.R. Batliboi & Co. LLP) retired by rotation and we have been appointed as statutory auditors of the company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the Company is not required to transferred the amount towards CSR. Accordingly the provisions of Para 3(xx) is not applicable.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407
UDIN : 22228407AJVMGT2588

Place : Bangalore
Date : May 29, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Zuari Agro Chemicals Limited ("the Company") as of March 31, 2022 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 maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 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 these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S
Partner
Membership Number: 228407
UDIN : 22228407AJVMGT2588

Place : Bangalore
Date : May 29, 2022

Standalone Balance Sheet as at 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3A	6,346.78	6,585.79
Right Of Use Asset	3B	781.12	1,060.63
Capital work-in-progress	3A	-	-
Investment property	5	362.29	362.29
Intangible assets	4	-	-
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	6A	1,54,867.22	1,18,381.99
(ii) Loans	6B	199.12	192.08
(iii) Others	6C	90.55	77.42
Deferred tax assets (net)	17	6,741.16	6,741.16
Other non-current assets	7	609.94	608.86
Income tax assets (net)	18	1,472.72	1,116.34
		1,71,470.90	**1,35,126.56**
Current assets			
Inventories	8	2,198.61	257.38
Financial assets			
(i) Trade receivables	9	1,074.55	0.78
(ii) Cash and cash equivalents	10	562.20	5,625.78
(iii) Bank balances other than (ii) above	10.1	6,408.37	13,171.16
(iv) Loans	6B	113.11	87.12
(v) Others	6C	237.48	35,113.91
Other current assets	7	2,325.21	2,309.48
		12,919.53	**56,565.61**
Assets held for sale	8A	1,33,625.16	1,31,176.94
		1,46,544.69	**1,87,742.55**
Total assets		**3,18,015.59**	**3,22,869.11**
Equity and liabilities			
Equity			
Equity share capital	11	4,205.80	4,205.80
Other equity	11A	(19,322.84)	(15,068.69)
Total equity		**(15,117.04)**	**(10,862.89)**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12A	28,850.00	39,350.00
(ii) Others	14	-	-
Other non-current liabilities	15	-	-
Provisions	16	52.97	57.46
		28,902.97	**39,407.46**

Standalone Balance Sheet as at 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	**12B**	94,021.71	51,556.89
(ii) Trade payables	**13**		
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		14,792.86	3,592.59
(iii) Others	**14**	6,110.38	3,247.32
Other current liabilities	**15**	3,639.36	839.64
Provisions	**16**	105.61	95.96
		1,18,669.92	**59,332.40**
Liabilities directly associated with the assets held for sale	**8A**	1,85,559.74	2,34,992.14
Total liabilities		**3,33,132.63**	**3,33,732.00**
Total equity and liabilities		**3,18,015.59**	**3,22,869.11**
Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P. Rao & Co.**
Chartered Accountants
ICAI Firm registration number : 003135S

per **Prashanth.S**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Standalone Statement of Profit and Loss for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing Operations				
I	**Revenue**			
	Revenue from operations	**19**	8,301.07	10.63
	Other income	**20**	4,961.32	4,953.60
	Total income (I)		**13,262.39**	**4,964.23**
II	**Expenses**			
	Cost of raw material and components consumed	**21**	2,974.12	-
	Purchases of traded goods	**22**	4,275.87	-
	Changes in inventories of finished goods, traded goods and work in progress	**23**	(475.54)	9.62
	Employee benefits expense	**24**	298.74	438.26
	Finance costs	**25**	11,623.22	11,834.72
	Depreciation and amortization expense	**26**	353.05	367.17
	Other expenses	**27**	1,989.09	2,463.80
	Total expense (II)		**21,038.55**	**15,113.57**
III	**Profit/(loss) before tax from continuing operations (I - II)**		**(7,776.16)**	**(10,149.34)**
IV	**Tax expense / (credit) from continuing operations:**			
	(1) Current tax	**17**	-	-
	(2) Taxes for earlier years	**17**	116.17	-
	(3) Deferred tax charge / (credit)	**17**	-	-
	Income tax expense/ (credit)		**116.17**	**-**
V	**Profit/(loss) for the year from continuing operations (III - IV)**		**(7,892.33)**	**(10,149.34)**
Discontinued operations				
VI	Profit/(Loss) before tax for the year from discontinued operations	**28**	(452.75)	(13,562.85)
VII	Tax income/ (expense) of discontinued operations	**17**	-	-
VIII	**Profit/(Loss) for the year from discontinued operations (VI - VII)**		**(452.75)**	**(13,562.85)**
IX	**Profit/(Loss) for the year (V + VIII)**		**(8,345.08)**	**(23,712.19)**
X	**Other Comprehensive Income/(loss)**			
	Items that will not be reclassified to profit or loss	**30**		
	Re-measurement gains on defined benefit plans		11.72	53.08
	Income tax effect	**17**	-	-
	Net gain/(loss) on equity instruments through Other Comprehensive Income		4,079.21	1,093.29
	Income tax effect	**17**	-	-
	Total other comprehensive Income/(loss) for the year, net of tax		**4,090.93**	**1,146.37**
XI	**Total comprehensive Income/(loss) for the year, net of tax (IX + X)**		**(4,254.15)**	**(22,565.82)**
XII	Earning/(loss) per equity share: (nominal value of share INR 10/-) (31 March 2021- INR 10/-)	**28**		
	(1) Basic and diluted from continuing operations		(18.77)	(24.13)
	(2) Basic and diluted from discontinued operations		(1.08)	(32.25)
	(3) Basic and diluted from continuing and discontinued operations		(19.85)	(56.38)
Summary of significant accounting policies		**2**		

The accompanying notes are an integral part Standalone Financial Statements

As per our report of even date

For **K.P. Rao & Co.**
Chartered Accountants
ICAI Firm registration number : 003135S

per **Prashanth.S**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Standalone Statement of Cash Flows for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flow from operating activities:**		
	Profit/(Loss) before tax from continuing operations	(7,776.16)	(10,149.34)
	Profit/(Loss) before tax from discontinued operations	(452.75)	(13,562.85)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation of property, plant and equipment	353.04	4,194.90
	Amortisation of intangible assets	-	87.69
	Loss / (profit) on disposal of property, plant and equipment (net)	(4.82)	(718.17)
	Excess provision / unclaimed liabilities / unclaimed balances written back	(3,738.25)	(3,704.61)
	Bad debts, claims and advances written off	101.77	-
	Provision for doubtful debts, claims and advances	-	684.37
	Subsidy claims written off	7.93	188.48
	Deferred Service Income	(30.34)	(30.34)
	Unrealized foreign exchange fluctuation loss	867.84	1,087.87
	Interest expense	21,788.96	30,928.39
	Interest income	(1,338.47)	(1,063.67)
	Dividend income	(646.04)	(323.74)
	Operating profit/ (loss) before working capital adjustments	**9,132.71**	**7,618.98**
	Working capital adjustments :		
	Increase/(Decrease) in provisions	56.29	(103.61)
	Increase/(Decrease) in trade payables and other liabilities	49,651.18	(4,014.50)
	(increase)/Decrease in trade receivables	(17,311.99)	43,644.19
	Decrease /(increase) in inventories	8,560.53	2,691.09
	Decrease /(increase) in other assets and financial assets	4,583.80	(1,062.47)
	(Increase)/decrease in loans and advances	(1,025.01)	79.95
		53,647.51	**48,853.63**
	Less : Income tax paid (net of refunds)	240.21	3,622.85
	Net cash flow from operating activities (A)*	**53,887.72**	**52,476.48**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(1,660.63)	(1,719.44)
	Proceeds from sale of property, plant and equipment	5.50	769.20
	Proceeds from sale of non-current investments	2,593.98	164.11
	Investment in bank deposits (having original maturity of more than 3 months)	6,752.99	(9,096.39)
	Interest received	1,240.81	1,232.17
	Dividend received	586.62	323.74
	Net cash flow from/ (used in) investing activities (B)	**9,519.27**	**(8,326.61)**
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	9,000.00	12,000.00
	(Repayment) of long term borrowings	(17,311.14)	(13,862.68)
	(Repayment) of lease liability	(223.61)	(210.50)
	Proceeds from short term borrowings	69,280.73	21,524.77
	(Repayment) of short term borrowings	(1,01,473.31)	(35,056.61)
	Interest paid	(27,743.24)	(28,111.02)
	Net cash flow (used in) financing activities (C)	**(68,470.57)**	**(43,716.06)**

Standalone Statement of Cash Flows for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
D	**Net increase/ (decrease) in cash and cash equivalents (A + B + C)**	**(5,063.58)**	**433.81**
	Cash and cash equivalents at the beginning of the year	5,625.78	5,191.97
	Cash and cash equivalents at the year end (Refer Note 10)	**562.20**	**5,625.78**
		As at 31 March 2022	**As at 31 March 2021**
	Balances with banks		
	- On current accounts	245.84	2,298.00
	- On cash credit accounts	316.05	3,327.24
	Cash on hand	0.31	0.54
	Cash and cash equivalents	**562.20**	**5,625.78**

Changes in liabilities arising from financing activities

	1 April 2021	Cash flows	Discontinued operations (Refer Note 28 & 53)	Non-cash changes***	31 March 2022
Long term borrowings (Refer Note 12A & 12B)	**71,406.89**	(8,311.14)	-	119.78	63,215.53
Short term borrowings (Refer Note 12B)	**19,500.00**	(32,192.58)	72,608.40	(259.64)	59,656.18
Lease liabilities (Refer Note 12A & 12B)	**-**	-	-	-	-
Total liabilities from financing activities	**90,906.89**	**(40,503.72)**	**72,608.40**	**(139.86)**	**1,22,871.71**

	1 April 2020	Cash flows**	Discontinued operations (Refer Note 28 & 53)	Non-cash changes***	31 March 2021
Long term borrowings (Refer Note 12A & 12B)	**73,278.02**	(1,862.68)	(76.33)	67.88	71,406.89
Short term borrowings (Refer Note 12B)	**1,05,626.82**	(13,531.85)	(72,608.40)	13.43	19,500.00
Lease liabilities (Refer Note 12A & 12B)	**1,477.00**	(210.50)	(1,417.91)	151.41	-
Total liabilities from financing activities	**1,80,381.84**	**(15,605.03)**	**(74,102.64)**	**232.72**	**90,906.89**

* Cash Flow from operating activities for the 31 March 2022 is after considering Corporate Social Responsibility Expenditure of INR 40.27 lakhs (31 March 2021: INR 57.55 lakhs).

**Includes repayments of principal and interest.

***includes exchange differences on borrowings, lease additions and interest accretion for lease liabilities.

Summary of significant accounting policies

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P. Rao & Co.**
Chartered Accountants
ICAI Firm registration number : 003135S

per **Prashanth.S**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Standalone Statement of Changes in Equity for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

(a) Equity share capital

4,20,58,006 Equity shares of INR 10 each issued, subscribed and fully paid

1. As at 31 March 2022

As at 01-04-2021	Changes due to prior period errors	Restated balance as at 01-04-2021	Changed during the year	As at 31-03-2022
4,205.80	-	4,205.80	-	4,205.80

2. As at 31 March 2021

As at 01-04-2020	Changes due to prior period errors	Restated balance as at 01-04-2021	Changed during the year	As at 31-03-2021
4,205.80	-	4,205.80	-	4,205.80

(b) Other Equity

For the period ended 31 March 2022:

	Reserves and Surplus (Refer Note 11A)			OCI		Total Other Equity
	Business Restructuring Reserve	Surplus / (deficit) in the Statement of Profit and Loss	General Reserve	Re-measurement (loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	
As at 1 April 2021	**65,404.84**	**(84,111.97)**	**6,150.00**	**323.11**	**(2,834.67)**	**(15,068.69)**
Changes in accounting policy or prior period errors	-	-	-	-	-	**-**
Restated balance as at 1 April 2021	**65,404.84**	**(84,111.97)**	**6,150.00**	**323.11**	**(2,834.67)**	**(15,068.69)**
Total comprehensive income/(loss) for the year	-	(8,345.08)	-	11.72	4,079.21	(4,254.15)
As at 31 March 2022	**65,404.84**	**(92,457.05)**	**6,150.00**	**334.83**	**1,244.54**	**(19,322.84)**

For the year ended 31 March 2021:

	Reserves and Surplus (Refer Note 11A)			OCI		Total Other Equity
	Business Restructuring Reserve	Surplus / (deficit) in the Statement of Profit and Loss	General Reserve	Re-measurement (loss) on defined benefit plans	Equity instruments through Other Comprehensive Income	
As at 1 April 2020	**65,404.84**	**(60,399.78)**	**6,150.00**	**270.03**	**(3,927.96)**	**7,497.13**
Changes in accounting policy or prior period errors	-	-	-	-	-	**-**
Restated balance as at 1 April 2020	**65,404.84**	**(60,399.78)**	**6,150.00**	**270.03**	**(3,927.96)**	**7,497.13**
Total comprehensive income/(loss) for the year	-	(23,712.19)	-	53.08	1,093.29	**(22,565.82)**
As at 31 March 2021	**65,404.84**	**(84,111.97)**	**6,150.00**	**323.11**	**(2,834.67)**	**(15,068.69)**

Summary of significant accounting policies **2**

The accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date

For **K.P. Rao & Co.**
Chartered Accountants
ICAI Firm registration number : 003135S

per **Prashanth.S**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Notes to the Standalone Financial Statements for the year ended 31 March 2022

1. Corporate Information

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403 726. The Company is in the business of manufacturing, trading and marketing of chemical fertilizers and fertilizer products. The Company caters to the demand of the farmers across the country, through its "Jai Kisaan" brand of Fertilizers. Please refer Note 28 for "Discontinued Operations".

These standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 29 May 2022.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities, which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefit plans – plan assets measured at fair value.

The standalone financial statements of the Company are presented in Indian Rupee (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit and loss after tax from discontinued operations in the statement of profit and loss. Please refer Note 28 for "Discontinued Operations". All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

ii) Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date .

All other assets have been classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is due to be settled within twelve months after the reporting date ; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

iii) Foreign Currency Translation

a) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (INR), 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 first qualifies for recognition.

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

Notes to the Standalone Financial Statements for the year ended 31 March 2022

currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).

iv) 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 statement of profit and loss.

v) 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 standalone 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 standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued 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.

vi) Non-current assets classified as held for sale

The Company classifies non-current assets classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Cost to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expenses. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

vii) Property, plant and equipment

On transition to Ind AS i.e. 1 April 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

viii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (e) below is calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. For this purpose, a major portion of the plant has been considered as continuous process plant. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment which are equal to the rates specified in Schedule II to Companies Act, 2013.

	Useful lives estimated by the management (years)
Factory buildings	30 years
Other buildings (RCC structures)	60 years
Other buildings (other than RCC structures)	30 years
Plant and equipment (Continuous process plant)	25 years
Plant and equipment (Others)	15 years
Furniture and fixtures	10 years
Roads and Culverts	3, 5 and 10 years
Office equipment	3 to 5 years
Vehicles	8 years
Railway Siding	15 years

Notes to the Standalone Financial Statements for the year ended 31 March 2022

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

(a) The useful lives of components of certain plant and equipment are estimated as 5 to 20 years. These lives are lower than those indicated in Schedule II.

(b) The useful lives of certain plant and equipment having net block of INR 174.16 lakhs are estimated as 30 to 40 years. These lives are higher than those indicated in schedule II.

(c) The useful lives of certain buildings having net block of INR 450.56 lakhs are estimated as 3 to 15 years. These lives are lower than those indicated in schedule II.

(d) Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.

(e) Property, plant and equipment whose value is less than INR 5,000/- are depreciated fully in the year of purchase.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if any.

ix) Intangible Assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The following are the acquired intangible assets:

Software

Management of the Company assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight line basis.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

All expenses incurred on research and development activities are expensed as incurred by the Company since these do not meet the recognition criteria as listed above.

x) Investment Property

The Company has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP standalone financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

xi) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

xii) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 3 to 30 years
- Building 2 to 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments,

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the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

During the year ended 31 March 2020, the Company applied, for the first time, Ind AS 116 Leases retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, comparatives for the period ended 31 March 2019 have not be retrospectively adjusted. The Company elected to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company also elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

a. Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for various guest house, retail outlets and land. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

xiii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or 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 or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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(b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial assets are first recognized, the Company recognizes an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.

Stage 2: When a financial assets has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the financial assets has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xiv) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

xv) Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xvi) Inventories

Inventories are valued at the lower of Cost and Net Realisable Value.

The Cost is determined as follows:

a) Raw materials and Store and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Moving weighted average method.

c) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.

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.

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Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

xvii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xviii) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in paragraph 2.B.

Sale of goods

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 15 to 120 days upon delivery.

Revenue from sale of goods, including concession in respect of Urea, DAP, MOP and Complex Fertilizers receivable from the Government of India under the New Pricing Scheme/ Concession Scheme, is recognized when the significant risk and rewards of ownership of the goods have passed to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilisers, Imported DAP and MOP has been accounted for in accordance with the parameters and notified rates.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

(b) Volume rebates

The Company provides volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

ii) Significant financing component

Occasionally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph xiii) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

As per Ind AS 115 and the Educational Material of Ind AS 115, sales tax/VAT is not received by the entity on its own account, it is tax collected on value added to the commodity by the seller on behalf of the Government, therefore, it is excluded from revenue. From 1 July 2017, the GST regime has been introduced, revenue is being recognised net of GST.

Insurance claims

Insurance claims and receivable on account of interest from dealers on delayed payment are accounted for to the extent the Company is reasonably certain of their ultimate collection.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

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xix) Retirement and other employee benefits

i) Provident Fund

Retirement benefits in the form of Provident Fund, in case of fertilizer unit in Goa, is defined benefit obligation and is provided on the basis of actuarial valuation of projected unit credit method made 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. Any excess of plan assets over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Retirement benefits in the form of Provident Fund, in case of other units, is a defined contribution scheme. The Company recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Superannuation and Contributory Pension Fund

Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund and Contributory Pension Fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

iii) Gratuity

Retirement benefit in the form of gratuity is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Company has taken insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

Re-measurement 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 and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

iv) Post-Retirement Medical Benefit

Post-retirement medical benefit is a defined benefit obligation which is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit & loss.

v) Leave Encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Re-measurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit and loss.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

vi) Pension Fund

Retirement benefit in the form of Family Pension Fund and National Pension Scheme are defined contribution scheme. The Company has no obligation, other than the contribution payable to the pension fund. The Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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.

vii) Voluntary Retirement Scheme

Compensation to employees under the voluntary retirement scheme of the Company is computed on the basis of number of employees exercising the retirement option under the scheme.

viii) Short term employee benefits

All employee benefits payable/available within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ix) Taxes

Current Income Tax and Deferred 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax 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 is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

Notes to the Standalone Financial Statements for the year ended 31 March 2022

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Goods and Service Tax (GST)/Sales/value added taxes paid on acquisition of assets or on incurring expenses

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

x) 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.

xi) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

xii) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In case of seeds division, the Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale.

xiii) 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.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting standalone financial statements of the Company as a whole.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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.

a) Determining the lease term of contracts with renewal and termination options- Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) Defined benefit plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 32.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 37 for further disclosures.

d) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and coverage by deposits or others instruments).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 38.

e) 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.

f) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount,

Notes to the Standalone Financial Statements for the year ended 31 March 2022

which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company.

g) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Company applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Company.

The Company updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

h) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

i) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.C. Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after April 01, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116.

The amendments provide temporary reliefs, which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 COVID-19 Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

2.D. Standards issued but not yet effective

There are no standards or amendments issued on or before 31 March 2022 but not yet effective, which may have any material impact on the standalone financial statements of the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

3A. Property, plant and equipment

(INR in lakhs)

	Freehold land (Refer Note 47)	Buildings	Railway siding	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Cost									
As at 1 April 2020	**72.90**	**7,536.45**	**542.54**	**54,641.72**	**290.17**	**1,209.86**	**848.83**	**65,142.47**	**12,486.42**
Additions	-	101.42	-	543.04	2.98	12.75	-	**660.19**	730.10
Assets classified as held for sale (Refer Note 8A)	0.15	-	-	-	-	-	-	**0.15**	-
Disposals	-	1.24	-	63.09	9.71	58.56	114.10	**246.70**	325.38
Discontinued operations (Refer Note 28)	30.96	2,633.17	542.54	51,529.84	252.45	1,061.03	472.19	**56,522.18**	12,891.14
As at 31 March 2021	**41.79**	**5,003.46**	**-**	**3,591.83**	**30.99**	**103.02**	**262.54**	**9,033.64**	**-**
Additions	-	110.15	-	-	-	-	-	**110.15**	-
Assets classified as held for sale (Refer Note 8A)	0.20	-	-	-	-	-	-	**0.20**	**-**
Disposals	-	-	-	-	-	-	-	**-**	-
As at 31 March 2022	**41.59**	**5,113.61**	**-**	**3,591.83**	**30.99**	**103.02**	**262.54**	**9,143.59**	**-**
Depreciation and impairment									
As at 1 April 2020	-	**1,028.04**	**191.66**	**16,052.47**	**177.76**	**678.52**	**427.99**	**18,556.44**	**367.17**
Charge for the year*	-	214.12	25.58	3,576.78	21.98	126.22	89.05	**4,053.73**	-
Disposals	-	1.24	-	34.54	9.22	59.55	95.21	**199.76**	-
Discontinued operations (Refer Note 28)	-	236.06	217.24	18,461.47	170.65	657.04	220.10	**19,962.56**	367.17
As at 31 March 2021	**-**	**1,004.86**	**-**	**1,133.24**	**19.87**	**88.15**	**201.73**	**2,447.85**	**-**
Charge for the year*	-	136.69	-	178.00	3.53	1.12	29.62	**348.96**	-
Disposals	**-**	-	-	-	-	-	-	**-**	**-**
As at 31 March 2022	**-**	**1,141.55**	**-**	**1,311.24**	**23.40**	**89.27**	**231.35**	**2,796.81**	**-**
Net book value									
As at 31 March 2022	**41.59**	**3,972.06**	**-**	**2,280.59**	**7.59**	**13.75**	**31.19**	**6,346.78**	**-**
As at 31 March 2021	**41.79**	**3,998.60**	**-**	**2,458.59**	**11.12**	**14.87**	**60.81**	**6,585.79**	**-**
As at 1 April 2020	**72.90**	**6,508.41**	**350.88**	**38,589.25**	**112.41**	**531.34**	**420.84**	**46,586.03**	**12,119.25**

* includes INR Nil (31 March 2021: INR 3,827.73 lakhs) related to discontinued operations (Refer Note 28).

For Property, plant and equipment existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value of the assets as deemed costs.

3B. Right of use assets

(INR in lakhs)

	Right to use building	Right to use Land (Refer Note i)	Total
Cost			
As at 1 April 2020	415.31	1,920.41	2,335.72
Additions	-	-	-
Disposals	-	-	-
Discontinued operations (Refer Note 28)	-	1,103.15	1,103.15
As at 31 March 2021	**415.31**	**817.26**	**1,232.57**
Additions	-	-	-
Disposals	-	-	-
Discontinued operations (Refer Note 28)	415.31	-	415.31
As at 31 March 2022	**-**	**817.26**	**817.26**

(INR in lakhs)

	Right to use building	Right to use Land (Refer Note i)	Total
Depreciation and impairment			
As at 1 April 2020	**64.83**	**94.09**	**158.92**
Charge for the year*	75.06	66.11	141.17
Disposals			-
Discontinued operations (Refer Note 28)	-	128.15	128.15
As at 31 March 2021	**139.89**	**32.05**	**171.94**
Charge for the year*	-	4.09	4.09
Disposals			-
Discontinued operations (Refer Note 28)	139.89	-	139.89
As at 31 March 2022	**-**	**36.14**	**36.14**
Net book value			
As at 31 March 2022	**-**	**781.12**	**781.12**
As at 31 March 2021	**275.42**	**785.21**	**1,060.63**
As at 1 April 2020	**350.48**	**1,826.32**	**2,176.80**

i. This includes land of INR 396.00 lakhs (31 March 2021: INR 396.00 lakhs) wherein lease cum sale agreement is for a period of 10 years. Lesser shall sell the property at the end of the lease period or extended period, if any. This land has been transferred to discontinued operations in financial year 2020-21.

ii. Assets pledged as security for borrowings: Refer Note 12 for information on property, plant and equipment pledged as security against borrowings.

iii. Building includes self constructed building with net book value of INR 3,556.71 lakhs (31 March 2021: INR 3,437.25 lakhs) on leasehold land.

iv. Contractual obligations: Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

v. Capitalised Expenditure

Borrowing cost:

Plant and equipment include INR Nil (31 March 2021: INR Nil) towards borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation by the Fertilizer Division was Nil (31 March 2021: Nil), which is the effective interest rate of the specific borrowing.

(INR in lakhs)

	31 March 2022	31 March 2021
Balance brought down	-	1,675.15
Interest expenses	-	-
Sub-Total	**-**	**1,675.15**
Less: Allocated to Property, plant and equipment	-	-
Less : Transferred to discontinued operation (Refer Note 28)	-	1,675.15
Balance carried over (included in Capital work-in-progress)	**-**	**-**

vi. Capital work-in-progress

Capital work-in-progress comprises of expenditure for revamping of ammonia urea plant and other plant and machinery in the course of construction, which has been transferred to discontinue operations (Refer Note 28).

vii. Title deeds of Immovable Properties not held in name of the Company

Particulars	Description	Gross Carrying Value	Title deed in the name of	Whether title deed holder is promoter, director or relative	Date of property held	Reason for not held in the name of company
Freehold Land	Land	23.08	Communidade of GOA/Jagdish Chowgule/Jose Robello	No	2011-12	Mutation is In process

Notes to the Standalone Financial Statements for the year ended 31 March 2022

4. Intangible assets

(INR in lakhs)

	Software**	Total	Intangible assets under development
Cost			
As at 1 April 2020	**618.44**	**618.44**	**-**
Additions	48.83	48.83	36.60
Disposals	189.53	189.53	33.06
Discontinued operations (Refer Note 28)	477.74	477.74	3.54
As at 31 March 2021	**-**	**-**	**-**
Additions	-	-	-
Disposals	-	-	-
Discontinued operations (Refer Note 28)	-	-	-
As at 31 March 2022	**-**	**-**	**-**
Amortisation			
As at 1 April 2020	**446.38**	**446.38**	**-**
Charge for the year*	87.69	87.69	-
Disposals	189.53	189.53	-
Discontinued operations (Refer Note 28)	344.54	344.54	-
As at 31 March 2021	**-**	**-**	**-**
Charge for the year*	-	-	-
Disposals	-	-	-
Discontinued operations (Refer Note 28)	-	-	-
As at 31 March 2022	**-**	**-**	**-**
Net book value			
As at 31 March 2022	**-**	**-**	**-**
As at 31 March 2021	**-**	**-**	**-**
As at 1 April 2020	**172.06**	**172.06**	**-**

*includes INR Nil (31 March 2021: INR 87.69 lakhs) related to discontinued operations (Refer Note 28).

For Intangible assets existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value of the assets as deemed costs.

**Software and intangible asset under development consists of cost of ERP licenses and development cost.

5. Investment property

(INR in lakhs)

	Amount
Opening balance at 1 April 2020	**362.29**
Additions (subsequent expenditure)	**-**
Closing balance at 31 March 2021	**362.29**
Additions (subsequent expenditure)	**-**
Closing balance at 31 March 2022	**362.29**
Depreciation	
Opening balance at 1 April 2020	**-**
Depreciation for the period	**-**
Closing balance at 31 March 2021	**-**
Depreciation for the period	**-**
Closing balance at 31 March 2022	**-**
Net book value	
Disposals	**362.29**
As at 31 March 2021	**362.29**
As at 31 March 2022	**362.29**

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value of the assets as deemed costs.

(INR in lakhs)

Information regarding income and expenditure of Investment property	31 March 2022	31 March 2021
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold lands owned by the Company.

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

As at 31 March 2022 and 31 March 2021, the fair values of the investment properties are INR 446.40 lakhs and INR 521.00 lakhs respectively. These valuations are based on valuations performed by an accredited independent valuer, who is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation is done based on current prices in active market of properties of different nature.

Details of key inputs used in the valuation of investment properties are as below :

Property description : Land situated in the Pannagudi & Karaikal Village, Tamil Nadu

Significant unobservable Inputs	Inputs	
	31 March 2022	31 March 2021
Land area	24.8 acre	24.8 acre
Prevailing market rate (per acre)	INR 18 lakhs/acre	INR 18 lakhs/acre
Guidelines rates obtained from register office	INR 2.68 lakhs/acre	INR 2.68 lakhs/acre
Assessed / adopted rate for valuation	INR 18.00 lakhs/acre	INR 21.00 lakhs/acre

Reconciliation of fair value: (INR in lakhs)

Opening balance at 1 April 2020	**409.00**
Fair value difference	112.00
Purchases	-
Closing balance at 31 March 2021	**521.00**
Fair value difference	(74.60)
Purchases	-
Closing balance at 31 March 2022	**446.40**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

6. Financial assets

6A. Investments

(INR in lakhs)

	Non-current	
	31 March 2022	31 March 2021
Investments in unquoted equity instruments carried at cost		
Investment in joint ventures		
17,98,16,228 (31 March 2021: 17,98,16,228) Equity shares of INR 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited	17,981.62	17,981.62
Investment in subsidiary		
50 (31 March 2021: 50) Equity shares of AED 1,000/- each fully paid-up of Adventz Trading DMCC	8.72	8.72
10,000 (31 March 2021: 10,000) Equity shares of INR 10/- each fully paid-up of Zuari Farmhub Limited	1.00	1.00
Investment in quoted equity instruments carried at cost		
Investment in subsidiary		
6,40,28,362 (31 March 2021: 6,40,28,362) Equity shares of INR 10/- each fully paid-up of Mangalore Chemicals and Fertilisers Limited (refer note (a) and (b) below)	54,112.37	54,112.37
Investments in equity instruments carried at fair value through other comprehensive income (FVTOCI)		
Quoted equity instruments		
1,11,40,632 (31 March 2021: 3,22,67,741) Equity shares of INR 1/- each fully paid-up of Nagarjuna Fertilisers and Chemicals Limited	1,442.71	2,029.64
Unquoted equity instruments		
1,44,000 (31 March 2021: 1,44,000) Equity shares of INR 10/- each fully paid-up of Indian Potash Limited (refer note (c) below)	2,764.80	692.64
Investments in unquoted debt instruments carried at cost		
Investment in subsidiary		
7,85,560 (31 March 2021: 4,35,560) compulsory convertible debentures of INR 10,000/- each fully paid-up of Zuari Farmhub Limited (refer note (b) below)	78,556.00	43,556.00
Total	**1,54,867.22**	**1,18,381.99**
Aggregate value of quoted investments	55,555.08	56,142.01
Aggregate value of unquoted investments	99,312.14	62,239.98
Total	**1,54,867.22**	**1,18,381.99**
Market value of quoted investments	56,993.72	47,713.88

(a) 5,57,60,668 (31 March 2021: 5,68,46,382) number of shares of Mangalore Chemicals and Fertilisers Limited are pledged as security for long term loan taken from bank (Refer Note 12).

(b) Following the impairment testing principles of Ind AS 36 "Impairment of Assets", the Company has assessed the recoverable amount of the investment in the subsidiaries i.e. Mangalore Chemicals and Fertiliser Limited and Zuari Farmhub Limited. The recoverable amount is higher of fair value less cost to sale and value in use. The investment made by the Company in the subsidiaries are strategic investments and the Company has control over the subsidiary companies. Basis independent valuation done by external valuer considering the present value of projected future cash flow from business of the subsidiary companies and considering value of surplus assets, the management is confident that the diminution in the value of investments is temporary in nature and thereby no impact for the reduction in the value needs to be considered in the financial statements.

The following assumptions has been considered by the independent valuer, in relation to Mangalore Chemicals and Fertilisers Limited, in the valuation done for the year ending :

Valuation methodology	**DCF analysis**	**DCF analysis**
Valuation Date	31 March 2022	31 March 2021
Going concern	The business of the Subsidiary will continue to operate as going concern which will enable the achievement of financial forecast	The business of the Subsidiary will continue to operate as going concern which will enable the achievement of financial forecast
Equity holding	54.03%	54.03%
Pre tax discount rate	17.71%	16.76%
Terminal growth rate	4.00%	4.00%
Market risk premium	6.42%	6.85%
Debt : Equity	50 : 50	50 : 50
Weighted average cost of capital-(WACC)	11.77%	11.81%
Enterprise value	INR 271,881 lakhs	INR 239,828 lakhs
Equity-100%	INR 131,273 lakhs	INR 146,928 lakhs
Company's stake value	INR 70,920 lakhs	INR 79,380 lakhs

The following assumptions has been considered by the independent valuer, in relation to compulsory convertible debentures of INR 78,556.00 lakhs (31 March 2021 : 43,556.00 lakhs) (Refer Note 6A) and other receivable of INR Nil (31 March 2021 : 35,000.00 lakhs) (Refer Note 6C) of Zuari Farmhub Limited, in the valuation done for the year ending:

Valuation methodology	**DCF Analysis**			
Valuation Date	**31 March 2022**			
Going concern	The business of the Subsidiary will continue to operate as going concern which will enable the achievement of financial forecast			
Equity Holding	100%			
Business Segment	**Retail Business**	**Hub Business**	**SPN and Allied Business**	**Total**
Cost of Capital	16.70%	13.70%	13.70%	
Terminal growth rate	5.00%	3.50%	3.00%	
Market risk premium	5.00%	2.00%	2.00%	
Debt : Equity	0 : 100	0 : 100	0 : 100	
Weighted average cost of capital (WACC)	16.70%	13.70%	13.70%	
Equity	INR 28,721 lakhs	INR 20,603 lakhs	INR 51,243 lakhs	INR 1,00,567 lakhs

Valuation methodology	**DCF Analysis**			
Valuation Date	**31 March 2021**			
Going Concern	The business of the Subsidiary will continue to operate as going concern which will enable the achievement of financial forecast			
Equity Holding	100%			
Business Segment	**Retail Business**	**Hub Business**	**SPN and Allied Business**	**Total**
Cost of Capital	16.50%	13.10%	13.40%	
Terminal growth rate	5.00%	3.50%	3.00%	
Market risk premium	5.00%	2.00%	2.00%	
Debt : Equity	0 : 100	50 : 50	50 : 50	
Weighted average cost of capital (WACC)	16.50%	13.10%	13.40%	
Equity	INR 24,057 lakhs	INR 18,835 lakhs	INR 47,681 lakhs	INR 90,573 lakhs

(c) The management has assessed fair value of the investment in unquoted share of Indian Potash Limited based on valuation report of an independent valuer. For details of method and assumptions used for the valuation refer Note 36.

(d) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as fair value through other comprehensive income (FVTOCI) as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. The Company has not transferred any gain or loss within equity in the current or previous period. Refer Note 37 for determination of their fair values.

6B. Loans

(INR in lakhs)

	Non-current		**Current**	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
Loans and advances to related parties (Refer Note 34)				
Unsecured, considered good				
Loans and advances	199.12	192.08	-	-
Interest accrued on loans, advances and deposits	-	-	113.11	87.12
Other loans and advances				
Credit impaired				
Inter corporate deposits (Refer Note i below)	-	-	-	568.13
Interest accrued on inter corporate deposits (Refer Note i below)	-	-	-	233.49
Less: Inter corporate deposits & interest thereon- credit impaired	-	-	-	(801.62)
Total	**199.12**	**192.08**	**113.11**	**87.12**

Assets pledged as security for borrowings: Refer Note 12 for information on loans pledged as security against borrowing.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company and are measured at amortised cost. The carrying value may be affected by changes in the credit risk of the counterparties.

i. While confirming the balance due from McDowell's Holdings Limited (MHL), aggregating to INR 2,332.97 lakhs, they have sought to adjust a sum of INR 939.43 lakhs said to be due to them from one of the subsidiaries i.e. Mangalore Chemicals and Fertilisers Limited (MCFL). During the year ended 31 March 2018, the Company has made a provision for the net recoverable amount from MHL of INR 1,393.54 lakhs and has charged off the same to the statement of profit and loss as exceptional items. During the year ended March 2019, the Company had received INR 939.43 lakhs from MCFL. The Company has filed an application under the insolvency and bankruptcy code before NCLT at Bangalore against MHL for recovery of the remaining principal amount along with the interest. MHL has filed its objections to the petition. In the meantime and pending the outcome of the petition, MHL has approached the Company to settle the pending dispute. During the year ended 31 March 2020, a settlement agreement dated 17 June 2019 was entered into between the Company, MHL and MCFL. Vide this settlement agreement, MHL has given the shareholding rights of 1,185,151 shares of MCFL for INR 590.92 lakhs to the Company against the amount outstanding as part settlement. Accordingly, the Company had recognised an income of INR 590.92 lakhs in the year ended 31 March 2020. Pursuant to the settlement agreement, the application before the NCLT has been withdrawn. During the year ended 31 March 2021, MHL has requested for extension of time to clear the outstanding along with interest and the Company has agreed to extend the period for further six months. Vide this extension request, MHL has paid INR 1.00 lakh to the Company against the amount outstanding. During the year ended 31 March 2022, the Company has received INR 1,370.76 lakhs towards full and final settlement as per agreement dated June 17, 2019 between the Company and Mcdowell's Holding limited (MHL) which has been recognised as other income.

6C. Other financial assets

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other financial assets (Unsecured, considered good)				
Security deposits				
Unsecured, considered good				
With others	77.16	68.67	-	-
Non-current bank balances	13.39	8.75	-	-
Other receivables from related party* (Refer Note 34)	-	-	-	35,000.00
Interest receivable from customers				
- from related parties (Refer Note 34)	-	-	162.06	-
Interest receivable on bank deposits	-	-	75.42	113.91
Other financial assets (Unsecured, credit impaired)				
Accrued service income	-	-	74.28	74.28
Less: Credit impaired	-	-	(74.28)	(74.28)
Total	**90.55**	**77.42**	**237.48**	**35,113.91**

*represents amount recoverable of INR Nil (31 March 2021: INR 35,000.00 lakhs) on account of balance purchase consideration to be received in respect of slump sale to Zuari FarmHub Limited. During the year ended 31 March 2022, Zuari FarmHub Limited has issued Compulsory Convertible Debentures of INR 35,000 lakhs to the company (Refer Note 6a).

Assets pledged as security for borrowings: Refer Note 12 for information on financial assets pledged as security against borrowing.

Break-up of financial assets carried at amortised cost

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Loans (Refer Note 6B)	199.12	192.08	113.11	87.12
Trade receivables (Refer Note 9)	-	-	1,074.55	0.78
Cash and cash equivalents (Refer Note 10)	-	-	562.20	5,625.78
Other bank balances (Refer Note 10.1)	-	-	6,408.37	13,171.16
Other financial assets (Refer Note 6C)	90.55	77.42	237.48	35,113.91
Total financial assets carried at amortised cost	**289.67**	**269.50**	**8,395.71**	**53,998.75**

7. Other assets

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Unsecured, considered good, except where otherwise stated				
Capital advances (Refer Note i below)	605.44	605.44	-	-
Advances (other than capital advances)				
Related parties (Refer Note 34 and 47)	-	-	1,825.96	1,825.96
Others, considered good	-	-	16.72	21.99
Others, considered doubtful (Refer Note 45)	3,212.39	3,212.39	-	-
	3,212.39	**3,212.39**	**1,842.68**	**1,847.95**
Less: Provision for doubtful advances	(3,212.39)	(3,212.39)	-	-
	-	**-**	**1,842.68**	**1,847.95**
Advance to employees	-	-	9.83	5.11
Balances with statutory authorities	-	-	472.70	454.43
Prepaid expenses	4.50	3.42	-	1.99
Total	**609.94**	**608.86**	**2,325.21**	**2,309.48**

Assets pledged as security for borrowings: Refer Note 12 for information on other assets pledged as security against borrowing.

i. The Company had given an advance of INR 4,029.44 lakhs in June 2010 to Karnataka Industrial Area Development Board (KIADB) for allotment of land for setting up of 1.20 Million TPA urea plant in Belgaum district. KIADB failed to acquire the land and after continuous discussion with KIADB for two years, the Company had come out of the project. KIADB had refunded INR 3,425.02 lakhs and retained INR 604.42 lakhs which was to be adjusted in case the Company seek some other land in Karnataka. Based on the details of land subsequently provided by the KIADB, the Company has requested to allot 12 acres land at Belapu industrial estate and adjust the retained amount by KIADB to the cost of the new land. However, KIADB has not yet agreed for the adjustment. Management had filed the writ petition in the Hon'ble High Court of Karnataka at Bengaluru against the State of Karnataka - Industries and Commerce Department and KIADB for not allotting land to the Company for setting up Fertilizer Project in Belapu Industrial Area, Udupi District, Karnataka and illegally withholding a sum of INR 604.42 lakhs. The Hon'ble High Court vide judgement dated 16 September 2019 disposed of the matter and directed the KIADB to consider the application of the Company for the allotment of Land within a period of six weeks from the date of receipt of certified copy of order. Pursuant to the court order, the Company issued a letter to KIADB requesting them to allot alternate land. KIADB vide their order dated 18 November 2019 has refused to adjust the forfeited amount against allotment of land in Belapu. Subsequently, the Company has filed a writ petition with Hon'ble High Court of Karnataka at Bangalore on 10 February 2020 challenging the KIADB order dated 18 November 2019. The Petition was listed for hearing on 23 September 2021. After hearing our counsels brieflly on the matter, the Hon'ble court directed for the matter to be listed after two weeks for admission. The matter has not been listed till date.

   Based on previous judgement and legal opinion obtained by the management for this matter, the management is hopeful to get the above amount adjusted against allotment of land or refund of the same.

ii. Vide notification number 26/ 2018 dated 13 June 2018, the Government has amended the definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from 1 July 2017 to include ITC availed only on inputs which excludes input services. The management has contested this amendment (both retrospective and prospective) at different levels of authorities including but not limited to filing a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Basis legal view obtained, the management believes that the refund/utilisation in respect of tax paid on input services would be available and that no liability including interest, if any, would arise from the same. Consequently, the Company has carried forward an amount of INR 9,816.49 lakhs (31 March 2021: INR 9,797.66 lakhs) as amount recoverable towards this matter. The balance pertaining to fertilizer plant at Goa has been transferred as part of discontinue operations (Refer Note 28).

8. Inventories (valued at lower of cost and net realisable value)

(INR in lakhs)

	31 March 2022	31 March 2021
Raw materials	1,544.28	86.28
Work-in-progress	239.17	83.28
Finished goods	13.21	14.44
Traded goods [includes material in transit: INR 320.88 lakhs (31 March 2021 : INR Nil)]	320.88	-
Stores and spares	81.07	73.38
Total	**2,198.61**	**257.38**

During the year ended 31 March 2022: INR Nil (31 March 2021: INR Nil) was recognised as an expense for inventories carried at net realisable value.

Assets pledged as security for borrowings: Refer Note 12 for information on inventories pledged as security against borrowing.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

8A. Assets held for sale/liabilities directly associated with the assets held for sale

(INR in lakhs)

	31 March 2022	31 March 2021
(a) Assets held for sale		
- Land at Sancoale Goa (Refer Note i below)	0.20	0.15
- Discontinued Operations (Refer Note 28)	1,33,624.96	1,31,176.79
	1,33,625.16	**1,31,176.94**
(b) Liabilities directly associated with the assets held for sale		
- Discontinued Operations (Refer Note 28)	1,85,559.74	2,34,992.14
	1,85,559.74	**2,34,992.14**

ia. During the previous year ended 31 March 2021, the Company had executed agreement for sale of land at Sancoale, Goa on 29 June 2020. This transaction is under execution, which is expected to be executed within 12 months. Accordingly, the said land has been classified from property, plant and equipment to Assets classified as held for sale.

ib. During the year ended 31 March 2022, the Company had executed two agreement for sale of land at Sancoale, Goa on 31 August 2021 and 5 January 2022. The sale of the asset is expected to be executed within 12 months. Accordingly, the said land has been classified from property, plant and equipment to Assets classified as held for sale.

Assets classified as held for sale during the reporting period are measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets were determined using the market approach.

9. Trade receivables (at amortized cost)

(INR in lakhs)

	31 March 2022	31 March 2021
Trade receivables - related parties (Refer Note 34)	181.87	-
Trade receivables - others	892.68	0.78
Total	**1,074.55**	**0.78**

Break-up for security details:

(INR in lakhs)

	31 March 2022	31 March 2021
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good [Total subsidy receivable from Government: INR 51,665.97 lakhs, out of which INR 50,807.69 transferred to discontinued operations (Refer Note 28) (31 March 2021: INR 32,056.00 lakhs)]	1,074.55	0.78
Trade receivables- credit impaired	1,951.35	1,951.35
Total	**3,025.90**	**1,952.13**
Less : Trade receivables- credit impaired	(1,951.35)	(1,951.35)
Total	**1,074.55**	**0.78**

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.

For terms and conditions relating to related party receivables, Refer Note 34.

Trade receivables from dealers are non-interest bearing during the normal credit periods and are generally on terms of 15 to 120 days.

Assets pledged as security for borrowings: Refer Note 12 for information on trade receivables pledged as security against borrowings.

Trade receivables ageing as at 31 March 2022

(INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	892.68	181.87	-	-	-	1,074.55
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	1,951.35	1,951.35
(iv) Disputed trade receivables - Considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-
Total	**892.68**	**181.87**	**-**	**-**	**1,951.35**	**3,025.90**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

Trade receivables ageing as at 31 March 2021 (INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	0.78	-	-	-	-	0.78
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	1,951.35	1,951.35
(iv) Disputed trade receivables - Considered good	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-
Total	**0.78**	**-**	**-**	**-**	**1,951.35**	**1,952.13**

10. Cash and cash equivalents

(INR in lakhs)

	31 March 2022	31 March 2021
Balances with banks :		
- on current accounts	245.84	2,298.00
- on cash credit accounts	316.05	3,327.24
Cash on hand	0.31	0.54
Total	**562.20**	**5,625.78**

10.1. Other bank balances

(INR in lakhs)

	31 March 2022	31 March 2021
Other bank balances:		
- on unpaid dividend accounts (repatriation restricted)*	5.81	10.96
Margin money deposits**	6,402.56	13,160.20
Total	**6,408.37**	**13,171.16**

*The Company can utilise these balances only towards settlement of the respective unpaid dividend.

**Margin money deposits are provided as margin for letter of credits and as interest service reserve account for long term borrowings. The same are restricted for use till settlement of corresponding liability.

11. Share capital

(INR in lakhs)

	31 March 2022	31 March 2021
Authorised share capital		
12,25,00,000 (31 March 2021: 12,25,00,000) Equity Shares of INR 10/- each	12,250.00	12,250.00
3,45,00,000 (31 March 2021: 3,45,00,000) Preference Shares of INR 10/- each	3,450.00	3,450.00
	15,700.00	**15,700.00**
Issued and subscribed capital*		
4,20,58,006 (31 March 2021: 4,20,58,006) Equity Shares of INR 10/- each Fully paid	**4,205.80**	**4,205.80**

a. Reconciliation of shares outstanding at the beginning and end of the reporting period

Equity Shares	31 March 2022		31 March 2021	
	In numbers	INR in lakhs	In numbers	INR in lakhs
At the beginning of the period	4,20,58,006	4,205.80	4,20,58,006	4,205.80
Issued during the period	-	-	-	-
Outstanding at the end of the period	**4,20,58,006**	**4,205.80**	**4,20,58,006**	**4,205.80**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

c. Details of equity shares of INR 10/- each fully paid-up held by promoters as at:

Promoter Name	As at 01 April 2021	Changes during the year	As at 31 March 2022	% of Total Shares	% change during the year
Promoters					
Zuari Global Limited	84,11,601	-	84,11,601	20.00	-
Zuari Management Services Limited	50,78,909	-	50,78,909	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125	-	30,00,125	7.13	-
Globalware Trading And Holding Limited	74,91,750	-	74,91,750	17.81	-
Promoter Group		-		-	
Adventz Finance Private Limited *	14,24,201	23,100	14,47,301	3.44	1.62
New Eros Tradecom Limited	11,96,767	-	11,96,767	2.85	-
Jeewan Jyoti Medical Society	1,38,550	-	1,38,550	0.33	-
Duke Commerce Limited	1,11,000	-	1,11,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Adventz Investment Company Private Limited *	15,000	(15,000)	-	-	(100.00)
Ricon Commerce Ltd.*	8,100	(8,100)	-	-	(100.00)
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	1,50,000	-	1,50,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	1,50,585	-	1,50,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
Total	**2,73,56,419**	**-**	**2,73,56,419**	**65.04**	**-**

*The Hon'ble National Company Law Tribunal, Kolkata bench, vide its order dated 30th November, 2021 (obtained on 27th December, 2021) approved the scheme of amalgamation amongst Adventz Investment Company Private Limited (AICPL), Sanghashree Investment & Trading Company Limited and Ricon Commerce Limited (RCL) with Adventz Finance Private Limited (AFPL). The scheme was filed with Registrar of Companies, West Bengal and made effective as on 21st January, 2022. Pursuant to the Scheme, on the Effective Date, 15,000 and 8,100 equity shares of Zuari Agro Chemicals Limited ("Company") held by AICPL and RCL respectively vested into AFPL.

Details of equity shares of INR 10/- each fully paid-up held by promoters as at:

Promoter Name	As at 01 April 2020	Changes during the year	As at 31 March 2021	% of Total Shares	% change during the year
Promoters					
Zuari Global Limited	84,11,601	-	84,11,601	20.00	-
Zuari Management Services Limited	50,78,909	-	50,78,909	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125	-	30,00,125	7.13	-
Globalware Trading and Holding Limited	74,91,750	-	74,91,750	17.81	-
Promoter Group					
Adventz Finance Private Limited	14,24,201	-	14,24,201	3.39	-
New Eros Tradecom Limited	11,96,767	-	11,96,767	2.85	-
Jeewan Jyoti Medical Society	1,38,550	-	1,38,550	0.33	-
Duke Commerce Limited	1,11,000	-	1,11,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Adventz Investment Company Private Limited	15,000	-	15,000	0.04	-
Ricon Commerce Ltd.	8,100	-	8,100	0.02	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	1,50,000	-	1,50,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	1,50,585	-	1,50,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
	2,73,56,419	**-**	**2,73,56,419**	**65.04**	**-**

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

Name of Shareholder	31 March 2022		
	No. of shares held	% Holding in class	% change during the period
Zuari Global Limited	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

Name of Shareholder	31 March 2021		
	No. of shares held	% Holding in class	% change during the period
Zuari Global Limited	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

As per records of the Company including its register of share holders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

*Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") between the Company (Zuari Agro Chemicals Limited) and Zuari Global Limited, the Company had issued 2,94,40,604 equity shares of INR 10/- each aggregating to INR 2,944.06 lakhs to the existing shareholders of Zuari Global Limited in the ratio of 1 fully paid-up Equity share of INR 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31 March 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31 March 2021: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

No shares has been issued for consideration other than cash during the period of five years immediately preceding the reporting date.

11A. Other equity

(INR in lakhs)

	31 March 2022	31 March 2021
Business Restructuring Reserve		
Balance as per last financial statements	65,404.84	65,404.84
Add: Received during the year	-	-
Closing balance	**65,404.84**	**65,404.84**
General Reserve		
Balance as per last financial statements	6,150.00	6,150.00
Add: Received during the year	-	-
Closing balance	**6,150.00**	**6,150.00**
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(83,788.86)	(60,129.75)
Total comprehensive income/(loss) for the year	(8,333.36)	(23,659.11)
Net (deficit) in the statement of profit and loss	**(92,122.22)**	**(83,788.86)**
Equity instruments through Other Comprehensive Income		
Balance as per last financial statements	(2,834.67)	(3,927.96)
Total comprehensive income/(loss) for the year	4,079.21	1,093.29
Closing balance	**1,244.54**	**(2,834.67)**
Total other equity	**(19,322.84)**	**(15,068.69)**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

Nature and purpose of reserves

Business Restructuring Reserve

In the Finance Year 2012-13, pursuant to the Scheme of Arrangement and Demerger ("The Scheme") between Zuari Industries Limited (now known as Zuari Global Limited) and Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited, the Company) approved by the Hon'ble High Court of Bombay at Goa, on 2 March 2012, all the assets and liabilities pertaining to Fertiliser Undertaking as on 1 July 2011 of Zuari Industries Limited (now known Zuari Global Limited) had been transferred to the Company at their book values and accordingly the surplus of assets over the liabilities of the Fertiliser undertaking so demerged, resulted in creation of Business Restructuring Reserve of INR 65,404.84 lakhs in terms of the Order of the Hon'ble High Court of Bombay at Goa which was filed with the Registrar of Company on 21 March 2012. The said reserve be treated as free reserve and be restricted and not utilized for declaration of dividend by the Company.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Surplus/(deficit) in the statement of profit and loss

Surplus/(deficit) in the statement of profit and loss represents the profits/(losses) generated by the Company that are not distributed to the shareholder and are re-invested in the Company.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

12A. Borrowings

(INR in lakhs)

Non-current borrowings (at amortised cost)	31 March 2022	31 March 2021
Term Loans		
From Banks		
Secured		
Indian rupee loans (Refer Note 1 below)**	-	7,784.25
From financial Institutions		
Secured		
Indian rupee loans (Refer Note 3 below)	14,865.53	24,272.64
Non-Convertible Debentures (Refer Note 5)	9,000.00	-
From others		
Unsecured		
Inter-corporate deposits (Refer Note 4 and Note 34 below)	39,350.00	39,350.00
Total	**63,215.53**	**71,406.89**
Less : Amount disclosed under "Short Term Borrowings"		
- Current maturities of long term borrowings (Refer Note 12B)	(34,365.53)	(32,056.89)
Total	**28,850.00**	**39,350.00**

1. (a.) Indian Rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 3,353.51 lakhs (including current maturities of INR 3,353.51 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.) The loan is repayable in 15 equal quarterly instalments starting from November 2019 with the last instalment due on May 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

   (b.) Indian Rupee term loan from a Bank of INR Nil lakhs (including current maturities of INR Nil) [31 March 2021: INR 1.437.08 lakhs (including current maturities of INR 1,437.08 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly instalments starting from December 2019 with the last instalment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

   (c.) Indian rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 658.62 lakhs (including current maturities of INR 658.62 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly instalments starting from December 2019 with the last instalment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

(d.) Indian rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 2,335.04 lakhs (including current maturities of INR 2,335.04 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly instalments starting from January 2020 with the last instalment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

2. Vehicle loans from a Bank of INR 11.51 lakhs (including current maturities: INR 11.51 lakhs) [31 March 2021: INR 76.33 lakhs (including current maturities: INR 69.25 lakhs)] carry interest rate ranging from 8.38% p.a. - 10.65% p.a. (31 March 2021 : 8.38% p.a. - 10.65% p.a.). The loans are repayable in 48 equal monthly instalments starting from February 2017 with the last instalment due on April 2023. The loans are secured by way of hypothecation of respective motor vehicles of the Company. This loan has been transferred as part of business transfer agreement (BTA) (Refer Note 28).

3. (a.) Indian rupee loan of INR 7,679.18 lakhs from a financial institution (including current maturities of INR 7,679.18 lakhs) [31 March 2021: INR 13,817.37 lakhs from a financial institution (including current maturities of INR 13,817.37 lakhs)] carries interest rate of ranging from 11.70% - 11.90% p.a. (31 March 2021: 11.70% p.a.). The loan is repayable in 12 equal quarterly instalments starting from May 2020 with the last instalment due on May 2023. The loan is secured by first pari passu charge by way of equitable mortgage of specific immovable assets of the Company with a minimum fixed asset cover of 1.25 times (unencumbered land parcel at Goa), pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 1.00 time.

(b.)* Indian rupee term loan from a financial institution of INR 7,186.35 lakhs (including current maturities of INR 7,186.35 lakhs) (31 March 2021: INR 10,455.27 lakhs (including current maturities of INR 10,455.27 lakhs) carries interest rate of 12.00% p.a. (31 March 2021: 12.00% p.a. - 15.00% p.a.). The loan is repayable in 16 equal quarterly instalments starting from December 2019 with the last instalment due on September 2023. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.5 times and demand promissory note.

4. Inter-corporate deposit of INR 39,350.00 lakhs (31 March 2021: INR 39,350.00 lakhs) carries interest rate of 15.00% (31 March 2021: 15.00% p.a). The loan is repayable after 36 months from the date of disbursement.

**Due to breach of covenant, non-current portion of long term loans from bank is classified as current in the financial statement and disclosed under current maturity of long term borrowing under other financial liabilities following the principles of Ind AS 1 "Presentation of Financial Statements" and the terms of the loans payable were not renegotiated, before the financial statements were approved for issue.

5. Non-Convertible Debentures of INR 9,000 Lakhs (including current maturities of INR Nil) [31 March 2021: INR Nil (including current maturity of INR Nil)] carries coupon rate of 11.50% p.a. are secured by exclusive charge by way of mortgage of specific immovable assets of the Company with a minimum value of assets to be INR 5,000 Lakhs (unencumbered land parcel at Goa), pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2.00 time. The debentures are redeemable in 4 equal quarterly instalments starting from June 2024 with the last instalment due in February 2025.

6. Set out below are the carrying amounts of lease liabilities and the movements during the year: (INR in lakhs)

	31 March 2022	31 March 2021
Opening	**-**	**1,477.00**
Accretion of interest	-	151.41
Payments	-	(210.50)
Transferred to discontinued operations (Refer Note 28)	-	(1,417.91)
Closing	**-**	**-**
Current	-	-
Non-current	-	-

The maturity analysis of lease liabilities are disclosed in Note 38.

The effective interest rate for lease liabilities is 10.70%, with maturity between 2021-2048.

7. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

12B. Borrowings

(INR in lakhs)

Current borrowings	31 March 2022	31 March 2021
Secured*		
From Banks		
Cash credit (including working capital demand loans) (Refer note 54)		
(The rate of interest on cash credit varies between banks ranging from 10.25% - 16.45% p.a. (31 March 2021: 10.70% - 16.85% p.a.) and are repayable on demand. The rate of interest on working capital demand loans varies between 11.05% - 16.45% p.a. (31 March 2021: 8.75% - 14.85% p.a) and are repayable over a period of 30 to 365 days)	34,546.18	-
Bills discounted (Refer note 54)		
(Local bills discounted with banks repayable over a period of 180 days at the rate of 4.90% - 10.00% p.a. (31 March 2021: 10.00% - 11.69% p.a.) against Letter of Credit issued by another bank having securities as disclosed below)	10,300.00	-
Current Maturities of long term borrowings	34,365.53	32,056.89
From Financial Institutions		
Short Term Loans #	-	3,500.00
Unsecured		
From Others		
Inter corporate deposits	14,810.00	16,000.00
(The rate of interest of 9.25% - 14.00% p.a. (31 March 2021 : 9.25% - 14.00% p.a.) and are repayable over a period of 180 - 365 days)		
Total	**94,021.71**	**51,556.89**

Below disclosures includes loans transferred to discontinued operations (Refer Note 28 & 53)

* Cash credit (including working capital demand loans) of INR 34,546.18 lakhs (31 March 2021: INR 62,578.27 lakhs), Suppliers credit of Nil (31 March 2021: INR 2,530.13 lakhs) and Bill discounting of INR 10,300.00 lakhs (31 March 2021: INR 7,500.00 lakhs) are secured by the first charge by way of hypothecation on the current assets (excluding assets against which specific loans have been availed), both present and future, wherever situated pertaining to the fertilizer division of the Company and the Company's fertilizer division's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets excluding some subsidy receivable amount exclusively charged to certain banks and first pari-passu charge by way of mortgage on specific land parcels situated at Zuarinagar, Goa.

#Short term loan of INR Nil (31 March 2021: INR 3,500.00 lakhs) carries interest rate of 16.25% p.a. (31 March 2021: 16.25% p.a.). The loan was repaid in full in the month of February 2022. The loan was secured by pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2.25 times.

13. Trade payables

(INR in lakhs)

	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Trade payables				
- outstanding dues to related parties (Refer Note 34)	-	-	9,501.45	7.67
- outstanding dues to micro and small enterprises (Refer Note 31)	-	-	-	-
- outstanding dues to others	-	-	5,291.41	3,584.92
Total	**-**	**-**	**14,792.86**	**3,592.59**

Trade payables ageing schedule as at 31 March 2022:

Particulars	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	-	-	-	-	-
(ii) Others	3,871.47	221.52	8,512.50	2,187.37	14,792.86
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**3,871.47**	**221.52**	**8,512.50**	**2,187.37**	**14,792.86**

Trade payables ageing schedule as at 31 March 2021:

Particulars	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	-	-	-	-	-
(ii) Others	623.58	1,278.14	634.80	1,056.07	3,592.59
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**623.58**	**1,278.14**	**634.80**	**1,056.07**	**3,592.59**

14. Other financial liabilities

(INR in lakhs)

	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other financial liabilities at amortised cost				
Trade deposits - dealers and others				
- from others	-	-	35.41	35.41
Other deposits (earnest money)	-	-	600.00	600.00
Employee benefits payable	-	-	50.44	49.20
Payable towards capital goods	-	-	29.50	458.02
Interest accrued but not due on borrowings (Refer Note 34)	-	-	1,426.78	2,085.31
Other interest payable	-	-	3,962.44	-
Unclaimed dividends	-	-	5.81	10.95
Payable towards voluntary retirement scheme	-	-	-	8.43
Total other financial liabilities at amortised cost (b)	**-**	**-**	**6,110.38**	**3,247.32**
Total other financial liabilities	**-**	**-**	**6,110.38**	**3,247.32**

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 38.
For terms and conditions relating to related party payables, Refer Note 34.

For explanations on the Company's credit risk management processes, Refer Note 38.

Break-up of financial liabilities carried at amortised cost

(INR in lakhs)

	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Non-current borrowings (Refer Note 12A)	28,850.00	39,350.00	34,365.53	32,056.89
Current borrowings (Refer Note 12B)	-	-	59,656.18	19,500.00
Trade payables (Refer Note 13)	-	-	14,792.86	3,592.59
Other financial liabilities (Refer Note 14)	-	-	6,110.38	3,247.32
Total financial liabilities carried at amortised cost	**28,850.00**	**39,350.00**	**1,14,924.95**	**58,396.80**

15. Other liabilities

(INR in lakhs)

	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Statutory liabilities	-	-	535.28	312.71
Contract Liabilities- Advances received from customers*	-	-	2,085.83	26.93
Deferred income	-	-	-	-
Other advances	-	-	1,018.25	500.00
Total	**-**	**-**	**3,639.36**	**839.64**

*Includes advances received from related parties of INR 1,980 lakhs (31 March 2021: INR 1,980 lakhs) (Refer Note 34)

Revenue recognized from amounts included in contract liabilities, shown under discontinued operation (Refer Note 28), at the beginning of the year is INR 2,088.14 lakhs (31 March 2021: INR 2,384.89 lakhs)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

16. Provisions

(INR in lakhs)

	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for employee benefits				
Gratuity (Refer Note 32)	-	-	43.44	47.53
Provision for post retirement medical benefit (Refer Note 32)	52.97	57.46	6.10	6.38
Leave encashment (unfunded)	-	-	56.07	42.05
Total	**52.97**	**57.46**	**105.61**	**95.96**

17. Income tax

The major components of income tax expense for the period ended 31 March 2022 and 31 March 2021 are:

Profit or loss section (INR in lakhs)

	31 March 2022	31 March 2021
Current income tax:		
Current income tax charge	-	-
Adjustments of tax relating to earlier years	116.17	-
Deferred tax:		
MAT credit reversal in respect of earlier years	-	-
Adjustments in respect of deferred tax of earlier years	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax (income)/expense reported in the statement of profit or loss	**116.17**	**-**

OCI section

Deferred tax related to items recognised in OCI during the year: (INR in lakhs)

	31 March 2022	31 March 2021
Net (gain)/loss on re-measurements of defined benefit plans	(11.72)	(53.08)
Deferred tax charged to OCI	-	-
Net (gain)/loss on equity instruments through other comprehensive income	(4,079.21)	(1,093.29)
Deferred tax (credit) to OCI	-	-

Reconciliation of tax expense/(income) and the accounting profit multiplied by domestic tax rate for 31 March 2022 and 31 March 2021 (INR in lakhs)

	31 March 2022	31 March 2021
Accounting (loss) before Income tax	**(8,228.91)**	**(23,712.19)**
Income tax rate	25.168%	25.168%
At statutory income tax rate	**(2,071.05)**	**(5,967.88)**
Adjustment in respect of tax related to earlier years	116.17	-
Tax effect of income that are not taxable in determining taxable profit:		
Other adjustments	-	(4.98)
Non-deductible expenses for tax purposes:		
Interest on Micro and Small Enterprises	6.27	10.31
Donation & CSR expenditure	10.14	18.78
Unrecognized deferred tax asset	2,054.58	5,943.77
Other adjustments	0.06	-
At the effective income tax rate	**116.17**	**-**
Income tax expense reported in the statement of profit and loss	116.17	-
Income tax attributable to a discontinued operation (Refer Note 28)	-	-
	116.17	**-**

Deferred tax: (INR in lakhs)

	As at 1 April 2020	Provided during the year	As at 31 March 2021	Provided during the year	As at 31 March 2022
Deferred tax liability:					
Property, plant and equipment impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	5,666.47	-	5,666.47	612.00	6,278.47
Capital gain on slump sale	16,677.67	(16,677.67)	-	-	-
Others	3.25	-	3.25	(3.25)	-
Total deferred tax liability (A)	**22,347.39**	**-16,677.67**	**5,669.72**	**608.75**	**6,278.47**
Deferred tax assets:					
Provision for doubtful debts and advances	2,271.17	-	2,271.17	(573.41)	1,697.76
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	814.43	-	814.43	(233.33)	581.10
Brought forward losses and unabsorbed depreciation	21,300.47	(16,677.67)	4,622.80	1,736.68	6,359.48
Loss on sale of non current investment	3,695.00	-	3,695.00	5.35	3,700.35
Others	1,007.48	-	1,007.48	(326.54)	680.94
Total deferred tax assets (B)	**29,088.55**	**-16,677.67**	**12,410.88**	**608.75**	**13,019.63**
Deferred tax assets (net) (B - A)	**6,741.16**	**-**	**6,741.16**	**-**	**6,741.16**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has not created any deferred tax during the year and has continued to recognise deferred tax at INR 6,741.16 lakhs which primarily comprises of INR 6,359.48 lakhs (31 March 2021: INR 4,622.80 lakhs) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management, based on the future profitability projections is confident that there would be sufficient taxable profits/gains in future which will enable the Company to utilize the above deferred tax assets.

Deferred tax on unabsorbed business losses and unrecognised capital losses including but not limited to indexation of capital assets have not been recognised to the extent there are no tax planning opportunities or other evidence of recoverability for the same in the next future.

18. Income tax assets (net)

(INR in lakhs)

	31 March 2022	31 March 2021
Income tax assets- related parties (Refer Note 34 and Note 46)	522.15	522.15
Income tax assets (net)	950.57	594.19
Total income tax assets (net)	**1,472.72**	**1,116.34**

19. Revenue from operations:

(INR in lakhs)

	31 March 2022	31 March 2021
Revenue from contracts with customers		
Sale of products		
Finished products	4,328.16	10.63
Traded products	3,966.39	-
Other operating revenue		
Scrap sales	6.52	-
Revenue from operations	**8,301.07**	**10.63**

(INR in lakhs)

	31 March 2022	31 March 2021
Timing of revenue recognition		
Goods transferred to the customers at a point in time	8,301.07	10.63
Total revenue from contracts with customers	**8,301.07**	**10.63**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(INR in lakhs)

	31 March 2022	31 March 2021
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	**8,288.83**	**10.63**
Adjustments		
Discount	12.24	-
Revenue from contract with customers	**8,301.07**	**10.63**

Performance obligation (includes disclosure in relation to discontinued operations (Refer Note 28))

The Company recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The performance obligation is satisfied upon delivery of the goods and payment is generally due within 15 to 120 days from delivery.

The Company also recognises the subsidy income receivable from the Government of India as per New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilisers at the time of sale of goods to its customers. The Direct Benefit Transfer (DBT) Scheme entails 100% payment of subsidy to the Company on the basis of actual sales by the retailer to the beneficiary, however, the performance obligation of the Company is satisfied upon delivery of the goods to its customer.

The Company does not have any other performance obligation in respect of its supply of goods to the customers.

a. Sales of Finished Products and Traded Products include Government subsidies: INR 1,75,542.74 lakhs (31 March 2021: INR 1,20,024.01 lakhs). Subsidies include INR 658.92 lakhs (31 March 2021: INR 615.87 lakhs) in respect of earlier years, notified during the year.
b. Subsidy for Urea has been accounted based on notified concession price under New Urea Policy, 2015 and other adjustments as estimated in accordance with known policy parameters in this regard. W.e.f. 1 October 2020, Company has accounted Urea subsidy based on the revised energy norms under New Urea Policy 2015.
c. Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification, domestic Gas is pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.
d. The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

20. Other income

(INR in lakhs)

	31 March 2022	31 March 2021
Interest Income on		
Bank deposits	280.54	342.60
Intercorporate loans	25.99	25.71
Debentures	7.27	4.36
Overdue debtors, employee loans etc.	814.03	-
Income tax refund	14.76	688.27
Dividend Income on non-current investments	646.04	323.74
Other non-operating income		
Profit on sale of property, plant and equipment (net)	-	734.82
Service Income - staff deployment and other supports		
Excess provision/unclaimed liabilities/unclaimed balances written back	2,952.75	2,313.46
Miscellaneous income	219.94	520.64
	4,961.32	**4,953.60**

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

(INR in lakhs)

	31 March 2022	31 March 2021
In relation to Financial assets classified at amortised cost	1,127.83	372.67
Total	**1,127.83**	**372.67**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

21. Cost of raw materials and components consumed

(INR in lakhs)

	31 March 2022	31 March 2021
Inventory at the beginning of the year	86.28	55.18
Add : Purchases	4,432.12	31.10
	4,518.40	**86.28**
Less: Inventory at the end of the year	(1,544.28)	(86.28)
Cost of raw material & components consumed	**2,974.12**	**-**

22. Purchase of traded goods

(INR in lakhs)

	31 March 2022	31 March 2021
Traded goods purchase details		
Specialty Fertilisers	4,275.87	-
Cost of traded goods purchased	**4,275.87**	**-**

23. Changes in inventories of finished goods, traded goods and work-in-progress

(INR in lakhs)

	31 March 2022	31 March 2021
Inventories at the end of the year		
Finished goods	13.21	14.44
Traded goods	320.88	-
Work-in-progress	239.17	83.28
	573.26	**97.72**
Inventories at the beginning of the year		
Finished goods	14.44	24.06
Traded goods	-	-
Work-in-progress	83.28	83.28
	97.72	**107.34**
	(475.54)	**9.62**

24. Employee benefits expense

(INR in lakhs)

	31 March 2022	31 March 2021
Salaries, wages and bonus	266.63	392.30
Contribution to provident and other funds	17.31	23.24
Post-retirement medical benefit (Refer Note 32)	4.31	4.34
Gratuity expense (Refer Note 32)	7.64	9.85
Staff welfare expenses	2.85	8.53
Total	**298.74**	**438.26**

25. Finance costs

(INR in lakhs)

	31 March 2022	31 March 2021
Interest expense	11,421.66	11,803.72
Interest on Income Tax	-	31.00
Other borrowing cost	201.56	-
Total	**11,623.22**	**11,834.72**

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

(INR in lakhs)

	31 March 2022	31 March 2021
In relation to Financial liabilities classified at amortised cost	11,421.66	11,803.72
Total	**11,421.66**	**11,803.72**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

26. Depreciation and amortisation expense

(INR in lakhs)

	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (Refer Note 3A)	353.05	367.17
Amortisation of intangible assets (Refer Note 3B & 4)	-	-
Total	**353.05**	**367.17**

27. Other expenses

(INR in lakhs)

	31 March 2022	31 March 2021
Stores and spares consumed	58.08	4.52
Power, fuel and water	368.20	92.90
Bagging and other contracting charges	207.41	100.48
Outward freight and handling	465.07	0.05
Rent	8.34	4.28
Rates and taxes	9.14	8.17
Insurance	21.35	1.06
Repairs and maintenance		
Plant & machinery	6.94	0.12
Buildings	-	4.43
Others	23.09	7.87
Provision for doubtful receivable/advances	-	350.53
Legal and Professional	300.49	341.36
Commission	140.04	27.55
Donation	-	17.07
CSR expenditure (Refer details below)	40.27	57.55
Advances write-off	73.45	-
Miscellaneous expenses*	267.22	1,445.86
Total	**1,989.09**	**2,463.80**
***Payments to statutory auditors (includes disclosure in relation to discontinued operations (Refer Note 28))**		
As statutory auditors		
Audit fees	8.50	58.00
Tax audit fee	3.50	9.00
Limited review fees	12.00	21.00
In other capacity		
Other services (includes certification fees and carve out financials)	73.50	77.50
Reimbursement of expenses	0.99	5.37
Total	**98.49**	**170.87**
CSR expenditure:		
Gross amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	-	-
Amount spent during the year (other than on construction/acquisition of any asset)	40.27	57.55
Amount spent during the year (on construction/acquisition of any asset)	-	-
Amount yet to be spent/paid	-	-
Total	**40.27**	**57.55**

28. Discontinued operations

i. Pursuant to board approval dated 22 February 2021, the Company entered into a Business Transfer Agreement (BTA) dated 1 March 2021 with Paradeep Phosphates Ltd (PPL), subsidiary of Zuari Maroc Phosphates Private Limited (ZMPPL), a joint venture company (the Company and OCP S.A. hold 50% each of the total equity capital of ZMPPL and ZMPPL holds 80.45% of the share capital of PPL) to transfer its fertilizer plant at Goa and associated businesses as going concern on a slump sale basis for an agreed enterprise value of INR 2,05,225.44 lakhs (converted basis the enterprise value of USD 280 million as per the BTA).

The effect of the transfer will be reflected in the financial information/statements of the period in which the deal is consummated post receipt of all requisite regulatory approvals. Originally, the long stop date as per the BTA was 30 June 2021 further this has been extended upto 30 June 2022 vide second amendment to BTA dated 30 December 2021.

Subsequent to year ended 31 March 2022, PPL has completed Initial Public Offer (IPO) and listed its shares with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on May 27, 2022, with one of the object clause to part financing the acquisition of the Company's fertilizer plant at Goa and associated businesses.

(a) The results of discontinued operations for the year are presented below: (INR in lakhs)

	31 March 2022	31 March 2021
Revenue		
Revenue from operations	2,51,139.71	2,21,938.60
Other income	1,373.10	2,610.12
Total income (I)	**2,52,512.81**	**2,24,548.72**
Cost of raw material and components consumed	1,68,340.59	1,53,481.39
Purchases of traded goods	151.44	129.32
Changes in inventories of finished goods, traded goods and work-in-progress	4,264.13	2,797.94
Employee benefits expense	7,147.13	6,753.40
Finance costs	11,573.26	20,328.49
Depreciation and amortization expense	-	3,915.42
Other expenses	61,489.02	50,705.61
Total expense (II)	**2,52,965.57**	**2,38,111.57**
(Loss) before tax (I-II)	**(452.75)**	**(13,562.85)**
Tax expense		
Current tax	-	-
Deferred tax charge/(credit)	-	-
Income tax expense/(credit)	**-**	**-**
(Loss) after tax	**(452.75)**	**(13,562.85)**

(b) The major classes of assets and liabilities as at 31 March 2022 are as follows: (INR in lakhs)

	31 March 2022	31 March 2021
Assets		
Property, plant and equipment and intangible assets (including capital work-in-progress)	51,679.52	50,187.69
Non-current financial assets	253.07	257.14
Other non-current assets	91.40	66.26
Inventories	11,891.25	22,393.01
Trade receivalbes {Including subsidy of INR 50,807.69 lakhs (31 March 2021: INR 32,056.00 lakhs)}	53,817.38	37,587.08
Other current financial assets	189.11	2,693.16
Other current assets	15,703.23	17,992.45
Assets held for sale (I)	**1,33,624.96**	**1,31,176.79**
Liabilities		
Non-current financial liabilities	1,389.34	1,353.35
Other non-current liabilities	35.40	65.74
Current borrowings	76.10	72,608.40
Trade payables	1,23,889.94	1,31,120.01
Other current liabilities	58,283.98	27,938.22
Current provisions	1,884.98	1,906.42
Liabilities directly associated with assets held for sale (II)	**1,85,559.74**	**2,34,992.14**
Net assets (I-II)	**(51,934.78)**	**(1,03,815.35)**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(c) The net cash flows are as follows:

(INR in lakhs)

	31 March 2022	31 March 2021
Operating	41,388.80	55,782.23
Investing	(1,104.10)	(1,133.18)
Financing	(40,284.70)	(54,649.05)
Net cash flow	**-**	**-**

29. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2022	31 March 20221
Profit/(Loss) attributable to equity holders of the Company:		
Continuing operations (INR in lakhs) (a)	(7,892.33)	(10,149.34)
Discontinued operations (INR in lakhs) (b)	(452.75)	(13,562.85)
(Loss) attributable to equity holders of the Company (INR in lakhs) (c=a+b)	(8,345.08)	(23,712.19)
Weighted average number of shares used in computing earnings per share	4,20,58,006	4,20,58,006
Basic and diluted from continuing operations (in INR)	(18.77)	(24.13)
Basic and diluted from discontinued operations (in INR)	(1.08)	(32.25)
Basic and diluted from continuing and discontinued operations (in INR)	(19.85)	(56.38)
Face value per share (in INR)	10.00	10.00

30. Components of Other Comprehensive Income (OCI) :

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2022 (INR in lakhs)

	Equity instruments through Other Comprehensive Income	Surplus/(deficit) in the statement of profit and loss
Re-measurement gains on defined benefit plans	-	11.72
Income tax effect	-	-
Net gain on equity instruments through Other Comprehensive Income	4,079.21	-
Income tax effect	-	-
	4,079.21	**11.72**

During the year ended 31 March 2021 (INR in lakhs)

	Equity instruments through Other Comprehensive Income	Surplus/(deficit) in the statement of profit and loss
Re-measurement gains on defined benefit plans	-	53.08
Income tax effect	-	-
Net (loss) on equity instruments through Other Comprehensive Income	1,093.29	-
Income tax effect	-	-
	1,093.29	**53.08**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

31. Dues to Micro, Small and Medium Enterprises#

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

(INR in lakhs)

	31 March 2022	31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	175.21	179.55
- Interest due on above	24.90	40.94
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	344.91	320.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	24.90	40.94

#also includes disclosure in relation to discontinued operation (Refer Note 28)

32. Gratuity and other post-employment benefit plans

(INR in lakhs)

Particulars	31 March 2022	31 March 2021
- Gratuity Plan-(Liability)	(43.45)	(47.53)
- Provident Fund -Asset*	132.59	117.44
- Post Retirement Medical Benefit Plan - (Liability)	(59.08)	(63.84)
Total	**30.06**	**6.07**

* Plan assets of INR 132.59 lakhs (31 March 2021 : INR 117.44 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust. The above includes amount contributed by Zuari Global Limited (related party of the Company).

a) Gratuity

Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement/termination/resignation. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an insurance policy, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

b) Provident Fund

As per Ind AS-19, Employee Benefits, provident funds setup by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuary Society of India.

c) 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

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:

Net employee benefits expense (recognized in employee cost) for the year ended (INR in lakhs)

Particulars	Gratuity	
	31 March 2022	31 March 2021
Current service cost	4.43	3.64
Net interest cost	3.21	6.21
Total	**7.64**	**9.85**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021
Current service cost	-	-
Net interest cost	4.31	4.34
Total	**4.31**	**4.34**

Amount recognised in other comprehensive income for the year ended (INR in lakhs)

Particulars	Gratuity	
	31 March 2022	31 March 2021
Actuarial (gain)/loss		
- change in financial assumptions	(1.31)	0.85
- experience variance (i.e. Actual experience vs assumptions)	(10.41)	(53.93)
Total	**(11.72)**	**(53.08)**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021
Re-measurement (or Actuarial) (gain)/loss arising from :		
- change in demographic assumptions	2.68	-
- change in financial assumptions	(1.52)	0.36
- experience variance (i.e. Actual experiences assumptions)	(10.23)	(4.28)
Total	**(9.07)**	**(3.92)**

Changes in the present value of the defined benefit obligation for the year ended

Gratuity: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	**47.53**	**1,777.37**
Current service cost	4.43	87.35
Interest cost	3.21	121.79
Re-measurement (or Actuarial) (gain)/loss arising from :		
- change in demographic assumptions	-	-
- change in financial assumptions	(1.31)	29.48
- experience variance (i.e. Actual experiences assumptions)	(10.41)	(50.11)
Benefits paid	-	(408.45)
Transfer out	-	14.96
Transferred to discontinued operation	-	(1,524.86)
Defined benefit obligation	**43.45**	**47.53**

Provident Fund: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	**12,446.79**	**13,197.47**
Current service cost	182.74	177.64
Interest cost	803.39	1,054.74
Contributions by Employee/plan participants	464.25	606.83
Benefits Paid out of funds	(1,736.57)	(2,858.99)
Re-measurement (or Actuarial) (gain)/loss arising from :		
- experience variance	128.44	108.24
- change in financial assumptions	(65.26)	-
Settlements/transfer in	31.58	160.86
Defined benefit obligation	**12,255.36**	**12,446.79**

Post Retirement Medical Benefit Plan: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	**63.84**	**63.43**
Interest cost	4.31	4.34
Re-measurement (or Actuarial) (gain)/loss arising from :		
- change in demographic assumptions	2.68	-
- change in financial assumptions	(1.52)	0.36
- experience variance (i.e. Actual experiences assumptions)	(10.23)	(4.29)
Defined benefit obligation	**59.08**	**63.84**

Changes in the fair value of plan assets for the year ended

Gratuity: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening fair value of plan assets	**-**	**1,573.85**
Interest income	-	107.86
Return on plan assets (excluding amounts included in net interest expense) - Other Comprehensive Income	-	53.86
Contribution by Employer	-	4.35
Benefits paid	-	(406.64)
Transfer Out	-	(4.02)
Transferred to discontinued operations	-	(1,329.26)
Closing fair value of plan assets	**-**	**-**

The Company (Continued operations) expects to contribute INR Nil (31 March 2021 : INR 332.97 lakhs (Discontinued operations)) to gratuity fund in the next financial year.

Provident Fund: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening fair value of plan assets	**12,564.23**	**13,283.42**
Interest income	810.92	1,129.09
Return on plan assets (excluding amounts included in net interest expense) - Other Comprehensive Income	158.81	77.39
Employer Contribution	170.96	177.64
Plan participants/Employee contribution	464.25	606.83
Benefits paid	(1,736.57)	(2,858.99)
Settlements/Transfer in	(44.65)	148.85
Closing fair value of plan assets	**12,387.95**	**12,564.23**

The Company expects to contribute INR 201.01 lakhs (31 March 2021 : INR 195.40 lakhs) to provident fund trust in the next financial year.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

Gratuity (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Investment with insurer (Life Insurance Corporation of India)	-	-

Provident Fund (Managed Through Trust) (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Equities and related investments	557.29	436.29
Other Government Securities	5,645.93	6,004.36
Other Debt instruments	3,246.05	2,936.63
Others	2,938.68	3,186.95

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the year over which the obligation is to be settled. These rates are different from the actual rate of return during the current year.

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Funds managed by insurance companies	100%	100%	0%	0%
Funds managed by trust	0%	0%	100%	100%

The principal assumptions used in determining benefit obligation for the Company's plans are shown below:

Particulars	Gratuity		Provident Fund		Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate (in %)	7.25%	6.75%	7.25%	6.75%	7.25%	6.75%
Salary Escalation (in %)	8% for first 2 years and 6.5% thereafter	8% for first 2 years and 6.5% thereafter	-	-	-	-
Mortality Rate (in %)(Upto Normal Retirement Age)	100%	100%	100%	100%	100% of IALM 2012-14	100% of IALM 2012-14
Mortality Rate (in %)(Above Normal Retirement Age)	N.A.	N.A.	N.A.	N.A.	90% of LIC 96-98 mod ult.	90% of LIC 96-98 mod ult.
Withdrawal rate (per annum)	1%-3%	1%-3%	1%-3%	1%-3%	-	-

A quantitative sensitivity analysis for significant assumption for the Company are as shown below:

Gratuity Plan: (INR in lakhs)

Assumptions	31 March 2022		31 March 2022		31 March 2022		31 March 2022	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
Impact on defined benefit obligation	(3.50)	3.94	3.92	(3.55)	0.05	(0.08)	(0.01)	(0.02)
Assumptions	31 March 2021		31 March 2021		31 March 2021		31 March 2021	
	Discount rate		Future salary increases		Attrition rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
Impact on defined benefit obligation	(3.09)	3.54	3.50	(3.11)	(0.03)	0.02	(0.00)	(0.00)

A quantitative sensitivity analysis for significant assumption for the Company are as shown below:

Provident Fund

(INR in lakhs)

Assumptions	31 March 2022	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation	323.33	(159.15)

Assumptions	31 March 2021	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
Impact on defined benefit obligation	602.11	(226.71)

Post Retirment Medical Benefit Plan

(INR in lakhs)

	31 March 2022		31 March 2022	
Assumptions	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
Impact on defined benefit obligation	(3.46)	3.67	(1.66)	1.66

	31 March 2021		31 March 2021	
Assumptions	Discount rate		Mortality rate (in %)	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
Impact on defined benefit obligation	(3.73)	3.98	(1.78)	1.80

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

(INR in lakhs)

Particulars	Gratuity		Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	2.30	9.07	6.10	6.38
Between 1 and 5 years	5.29	21.36	21.88	22.97
Between 5 and 10 years	34.47	19.02	21.48	22.50
Beyond 10 years	47.81	37.73	23.81	25.47

The average duration of the defined benefit plan obligation at the end of the reporting period is 6-9 years (31 March 2021 : 7 years).

33. Commitments and contingencies

A. Contingent liabilities:

Claims against the Company not acknowledged as debts

(INR in lakhs)

		31 March 2022	31 March 2021
I	**Demands/Claims from Government Authorities ***		
(A)	**Demands from Income Tax Authorities**		
i)	Demands in respect of assessment year 2012-13 for disallowances mainly on account of loss on sale of fertiliser bonds for which an appeal is pending with ITAT.	1,519.66	1,519.66
ii)	Demands in respect of assessment year 2012-13 for disallowances u/s 37 on account of expendtiure incurred before commencement of business for which an appeal is pending with CIT (Appeals)	-	14.64
iii)	Demands in respect of assessment year 2013-14 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with ITAT.	320.88	320.88

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(INR in lakhs)

		31 March 2022	31 March 2021
iv)	Demands in respect of assessment year 2013-14 for disallowances u/s 37 on account of expendtiure incurred before commencement of business for which an appeal is pending with CIT (Appeals)	-	46.55
v)	Demands in respect of assessment year 2014-15 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with ITAT	292.20	292.20
vi)	Demands in respect of assessment year 2014-15 for disallowances u/s 37 on account of expendtiure incurred before commencement of business for which an appeal is pending with CIT (Appeals)	-	78.56
vii)	Demands in respect of assessment year 2015-16 for disallowances u/s 37 on account of expenditure incurred before commencement of business for which an appeal is pending with CIT (Appeals)	-	318.50
viii)	Demands in respect of assessment year 2016-17 for disallowances u/s 14A on account of expenditure for earning exempt income, depreciation on Goodwill and unrealised exchange loss for which an appeal is pending with CIT (Appeals)	1,505.87	1,505.87
ix)	Demands in respect of assessment year 2017-18 for disallowances u/s 14A on account of expenditure for earning exempt income, depreciation on Goodwill and unrealised exchange loss for which an appeal is pending with CIT (Appeals)	1,433.95	1,433.95
x)	Demand in respect of assessment year 2018-19 for disallowances of depreciation on Goodwill and claim u/s 115JB(2C)	12.95	12.95
xi)	Income-tax advance to Zuari Global Limited against earlier years demand pertains to Fertiliser Business in relation to Demerger happened in financial year 2011-12	522.16	522.16
(B)	**Demands from Sales Tax and Other Authorities**		
i)	Demand Notice from Commercial Tax Department, Maharashtra towards financial year 2011-12	-	2.87
ii)	Exparte Order received from Commercial Tax Department Lucknow, UP for the month of May 2016 to July 2016, September 2016, October 2016 and December 2016, remanded back to assessing officer	14.34	14.34
iii)	Penalty order received for delay in payment of tax from Commercial Tax Department Lucknow, UP towards financial year 2016-17, remanded back to assessing officer	9.23	9.23
iv)	Demand notice from Commercial Tax Department, Jaipur towards Excess Input Tax Credit availed for the periods 2011-12 and 2013-14 in respect of Company	32.10	32.10
v)	Demand notice from Commercial Tax Department, Madhya Pradesh towards non-submission of "C Form" for the period 2013-14 of the Company	-	2.48
vi)	Demand notice from Commercial Tax Department Kerala towards Conceded an interstate stock transfer (Out) of taxable items for the period 2009-10 of the Company	-	-
vii)	Demand Notice from Commercial Tax Department Meerut, UP towards financial year 2009-10	52.76	52.76
viii)	Demand Notice from Commercial Tax Department Meerut, UP towards financial year 2013-14 on account of tax rate difference	16.40	16.40
ix)	Demand Notice from Commercial Tax Department Telangana towards Short ITC reversal on stock transfers	8.85	8.85
x)	Demand Notice from commercial tax department Andhra Pradesh towards non-submission of F Form for stock transfers	-	179.29
xi)	Exparte Order received from Commercial Tax Department , UP for the year 2016-17. Remanded back to assessing officer vide or der no. 276,277 dated 21st April 2022.	67.00	67.00
xii)	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases for the year 2016-17	257.88	257.88
xiii)	Demand Notice from Commercial Tax Department, Maharashtra towards non-submission of supporting documents for F Form for the year 2016-17	7.62	7.62
xiv)	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases & non submission of supporting documents for F Form for the year 2017-18	15.27	-
xv)	Demand Notice from Commercial Tax Department, Odisha towards non submission of supporting documents for F Form for the year 2016-17	2.09	-
xvi)	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	4,291.34
xvii)	Demand Notice from CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18[#]	2,767.33	2,767.33

(INR in lakhs)

		31 March 2022	31 March 2021
xviii)	Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18#	756.26	756.26
xix)	Demand notice from GST department, Gujarat towards recovery of refund issued erroneously for the month of August 2017#	492.49	492.49
xx)	Demand notice from Customs Department, Mumbai towards non-eligibility of exemption under notification no. 04/06-CE dt. 1 March 2006 (as amended by notification no. 4/2011-CE dt. 1 March 2011) towards Counter-Vailing Duty (CVD) for the imports at Navasheva port for the period 24 March 2011 to 2 December 2011. Appeal filed with West Zonal Branch of the Customs, Excise and Service Tax Appellate Tribunal at Mumbai.#	26.10	26.10
xxi)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 1 April 2001 to 28 February 2006. The Company has filed appeal with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore.#	284.74	284.74
xxii)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 2002-03 and 2003-04. Appeal filed with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore.#	148.28	148.28
xxiii)	Customs Duty Differential on finalised Bill of Entries-Dharamatar Port-Order by Deputy Commissioner of Customs(P) Alibaug Division#	71.02	71.02
xxiv)	Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips#	140.52	140.52
xxv)	Demand for non-payment of service tax under reverse charge mechanism on manpower supply services and GTA services for Financial year 2015-16 and 2016-17#	-	266.11
xxvi)	Demand for non-payment of service tax under reverse charge mechanism on manpower supply services and GTA services from April 2017 to June 2017#	-	31.52
xxvii)	Demand for non-payment of R&D Cess on foreign consultancy services for the period April 2015 to June 2017#	-	277.17
II	**Other claims against the Company not acknowledged as debts***		
i)	Claims against the Company not acknowledged as debts##	100.01	264.36

* Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

\# amount related to discontinued operations (Refer Note 28)

\## includes amount related to discontinued operations (Refer Note 28)

B. Financial guarantees:

(INR in lakhs)

	31 March 2022	31 March 2021
Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	695.12	454.92

** Bank guarantees of INR 695.12 lakhs (31 March 2021 : INR INR 454.92 lakhs lakhs) are secured by a charge created by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Company and the Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets. Bank guarantees Includes amount related to discontinued operation (Refer Note 28).

C. Commitments:

(INR in lakhs)

	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)#	4,006.60	3,789.23

\# includes amount related to discontinued operations (Refer Note 28)

34. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

(i) Subsidiaries of the Company

1) Mangalore Chemicals and Fertilisers Limited
2) Adventz Trading DMCC
3) Zuari Farmhub Limited (ZFL)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(ii) Joint ventures of the Company

1) Zuari Maroc Phosphates Private Limited
2) Paradeep Phosphates Limited (PPL) – Subsidiary of Zuari Maroc Phosphates Private Limited

(iii) Key Management Personnel of the Company

1) Mr. Saroj Kumar Poddar - Chairman
2) Mr. Sunil Sethy - Managing Director (upto 31 July 2020)
3) Mr. Nitin M. Kantak - Executive Director (w.e.f. 3 September 2020)
4) Mr. N. Suresh Krishnan - Non-Executive Director
5) Mr. Akshay Poddar - Non-Executive Director
6) Mr. Marco Wadia - Independent Director (Upto 31 March 2022)
7) Mr. Dipankar Chatterji - Independent Director
8) Ms. Kiran Dhingra - Independent Director (upto 31 March 2021)
9) Mr. L. M. Chandrasekaran - Independent Director (w.e.f. 27 June 2020)
10) Mr. Raj Kumar Gupta - Chief Financial Officer
11) Ms. Reena Suraiya- Independent Director (w.e.f. 24 June 2021)
12) Mr. Vijayamahantesh Khannur - Company Secretary (w.e.f. 1 April 2020)

(iv) Parties having significant influence

1) Zuari Global Limited
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (Joint Venture of Zuari Global Limited)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Finserv Limited
8) Zuari Investments Limited
9) Gobind Sugar Mills Limited (subsidiary of Zuari Investment Limited)
10) Zuari Indian Oil Tanking Private Limited (Joint Venture of Zuari Global Limited)

(v) Details of Post Employment Benefit Plans managed through separate trusts (para 9 (b) (v) of Ind AS-24)

1) Zuari Industries Limited Employee Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non-Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund

Following transactions were carried out with related parties in the ordinary course of business for the year ended : (INR in lakhs)

Sl. No.	Transaction details	31 March 2022				31 March 2021			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Expenses incurred on their behalf**								
	- Paradeep Phosphates Limited	-	154.76	-	-	-	16.79	-	-
	- Mangalore Chemicals and Fertilizers Limited	72.59	-	-	-	11.50	-	-	-
	- Zuari Indian Oil Tanking Private Limited	-	-	0.06	-	-	-	1.03	-
	- Zuari Global Limited	-	-	0.72	-	-	-	1.24	-
	- Zuari Farmhub Limited	153.23	-	-	-	1,641.91	-	-	-
2	**Expenses incurred on our behalf**								
	- Paradeep Phosphates Limited	-	-	-	-	-	0.77	-	-
	- Mangalore Chemicals and Fertilizers Limited	-	-	-	-	0.16	-	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(INR in lakhs)

Sl. No.	Transaction details	31 March 2022				31 March 2021			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
3	**Service charges paid**								
	- Zuari Management Services Limited	-	-	131.22	-	-	-	567.29	-
	- Zuari Finserv Limited	-	-	24.35	-	-	-	10.01	-
	- Zuari Global Limited	-	-	-	-	-	-	71.25	-
	- Zuari Indian Oil Tanking Private Limited			0.59					
4	**Tolling & Allied Services/Other Income**								
	- Paradeep Phosphates Limited	-	905.25	-	-	-	480.58	-	-
5	**Transfer of employee benefits**								
	- Paradeep Phosphates Limited	-	0.52	-	-	-	7.77	-	-
	- Zuari Management Services Limited	-	-	-	-	-	-	0.19	-
6	**Purchase of raw materials**								
	- Paradeep Phosphates Limited	-	32,147.52	-	-	-	45,782.77	-	-
7	**Sale of finished goods**								
	- Paradeep Phosphates Limited	-	19,613.07	-	-	-	29,082.47	-	-
	- Zuari Farmhub Limited	7,933.85	-	-	-	4,885.97	-	-	-
8	**Sale of Raw Material**								
	- Paradeep Phosphates Limited	-	5,674.24	-	-	-	-	-	-
9	**Other expenses**								
	- Zuari Global Limited	-	-	-	-	-	-	1,186.20	-
10	**Interest paid**								
	- Paradeep Phosphates Limited (net of reversal of INR 1,971.44 lakhs (31 March 2021 : INR Nil)	-	-	-	-	-	(1,971.44)	-	-
	- Mangalore Chemicals and Fertilizers Limited	1,146.96	-	-	-	1,183.00	-	-	-
11	**Interest income on loan/deposit/trade receivable**								
	- Adventz Trading DMCC	25.99	-	-	-	25.71	-	-	-
	- Zuari Farmhub Limited	362.25	-	-	-	4.36	-	-	-
12	**Inter corporate deposits**								
	- Zuari Global Limited	-	-	-	-	-	-	7,450.00	-
	- Zuari Management Services Limited	-	-	-	-	-	-	4,550.00	-
13	**Interest paid on Inter-corporate deposits**								
	- Zuari Global Limited	-	-	4,500.00	-	-	-	4,012.01	-
	- Zuari Management Services Limited	-	-	1,402.50	-	-	-	1,047.45	-

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(INR in lakhs)

Sl. No.	Transaction details	31 March 2022				31 March 2021			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
14	**Rent paid**								
	- Zuari Global Limited	-	-	22.91	-	-	-	50.04	-
	- Zuari Infraworld India Limited	-	-	4.69	-	-	-	43.87	-
	- Gobind Sugar Mills Limited	-	-	-	-	-	-	1.00	-
15	**Service Income**								
	- Zuari Farmhub Limited	174.00	-	-	-	-	-	-	-
16	**Director Deposit**								
	- Zuari Global Limited	-	-	-	-	-	-	1.00	-
17	**Dividend received**								
	- Mangalore Chemicals and Fertilizers Limited	640.28	-	-	-	320.14	-	-	-
18	**Investment in compulsory convertible debentures (CCD)**								
	- Zuari Farmhub Limited	35,000.00	-	-	-	-	-	-	-
19	**Advance received against Business Transfer Agreement (BTA)**								
	- Paradeep Phosphates Limited	-	39,900.00	-		-	-	-	
20	**Contribution to gratuity fund**	-	-	3.92	-	-	-	4.35	-
21	**Contribution to superannuation fund**	-	-	91.61	-	-	-	113.53	-
22	**Contribution to provident fund (including employees contribution)**	-	-	539.78	-	-	-	613.16	-
23	**Contribution to contributory pension fund (including employees contribution)**	-	-	60.58	-	-	-	71.80	-

Terms and conditions of transactions with related parties

The transactions of sale and purchases with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding balances at the year end of trading activities are generally unsecured. Interest is charged as per terms of the contract with the related parties which is at arm's length. The net outstanding balances are settled generally in cash.

There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021 : INR Nil).

Compensation of key management personnel of the Company**

(INR in lakhs)

	31 March 2022	31 March 2021
Short-term employee benefits	183.24	164.07
Retirement benefits	8.00	7.48
Sitting Fee	36.00	32.55
Total compensation paid to key management personnel	**227.24**	**204.10**

**The amount disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for the gratuity and compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and therefore not included above.

#includes amount related to discontinued operations (Refer Note 28)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

Balance Outstanding as on:# (INR in lakhs)

Sl. No.	Particulars	31 March 2022				31 March 2021			
		Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Subsidiaries	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1	**Loan given :**								
	- Adventz Trading DMCC	199.12	-	-	-	192.08	-	-	-
2	**Trade payables :**								
	- Mangalore Chemicals and Fertilizers Limited	8,030.90	-	-	-	8,050.07	-	-	-
	- Paradeep Phosphates Limited	-	70,367.99	-	-	-	51,008.52	-	-
	- Zuari Global Limited	-	-	105.27	-	-	-	89.31	-
	- Zuari Finserv Limited	-	-	1.78	-	-	-	11.30	-
	- Zuari Management Services Limited	-	-	19.85	-	-	-	11.58	-
	- Zuari Infraworld India Limited	-	-	5.06	-	-	-	4.71	-
3	**Interest payable :**								
	- Mangalore Chemicals and Fertilizers Limited	3,962.46	-	-	-	2,815.50	-	-	-
	- Paradeep Phosphates Limited	-	2,364.29	-	-	-	2,364.29	-	-
	- Zuari Global Limited	-	-	865.94	-	-	-	645.08	-
	- Zuari Management Services Limited	-	-	297.28	-	-	-	143.24	-
4	**Trade receivable/Other receivable :**								
	- Gobind Sugar Mills Limited	-	-	-	-	-	-	145.97	-
	- Zuari Farmhub Limited	3,415.18	-	-	-	36,744.96	-	-	-
5	**Interest accrued/received on loan/deposit/trade receivable :**								
	- Adventz Trading DMCC	113.11	-	-	-	87.12	-	-	-
	- Zuari Farmhub Limited	348.14	-	-	-	-	-	-	-
6	**Security deposits given :**								
	- Zuari Infraworld India Limited	-	-	29.33	-	-	-	29.33	-
7	**Advance given for income tax liability :**								
	- Zuari Global Limited	-	-	522.15	-	-	-	522.15	-
8	**Advance to Employee**								
	- Mr. Sunil Sethy	-	-	-	81.00	-	-	-	81.00
9	**Inter corporate deposits**								
	- Zuari Global Limited	-	-	30,000.00	-	-	-	30,000.00	-
	- Zuari Management Services Limited	-	-	9,350.00	-	-	-	9,350.00	-
10	**Advance from customers/others**								
	- Mangalore Chemicals and Fertilizers Limited	1,980.00	-	-	-	1,980.00	-	-	-
	- Paradeep Phosphates Limited	-	39,900.00	-	-	-	-	-	-
11	**Trade deposit received :**								
	- Gobind Sugar Mills Limited	-	-	0.50	-	-	-	0.50	-
12	**Gratuity fund balance :**	-	-	1,272.31	-	-	-	1,329.27	-
13	**Provident fund balance* :**	-	-	12,387.95	-	-	-	12,564.24	-

*Includes amount contributed by Zuari Global Limited (related party of the Company).
#includes amount related to discontinued operations (Refer Note 28)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

35. Segment Information

Information regarding primary segment reporting as per Ind AS-108

The Company is engaged in the business of manufacturing, trading and marketing of chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

Geographical segments

The Company operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, geographical segment information is not required to be disclosed.

Revenue from single customer i.e. subsidy income from Government of India amounted to INR 1,75,542.74 lakhs (31 March 2021 : INR 1,20,024.01 lakhs) arising from sales in the fertilizers segment, including discontinued operations of INR 1,73,143.34 lakhs (31 March 2021 : INR 1,20,024.01 lakhs (Refer Note 28)).

36. Fair Values#

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in lakhs)

	Carrying value		Fair value	
	***31 March 2022**	***31 March 2021**	***31 March 2022**	***31 March 2021**
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	1,442.71	2,029.64	1,442.71	2,029.64
Investment in unquoted equity share at FVTOCI	2,764.80	692.64	2,764.80	692.64
Others:				
Loans and advances to related parties and interest thereon	312.23	279.20	312.23	279.20
Employee loans and interest thereon	24.26	45.88	24.26	45.88
Security deposits	309.01	290.66	309.01	290.66
Foreign exchange forward covers	-	2.37	-	2.37
Other financial assets	436.95	37,802.71	436.95	37,802.71
	5,289.96	**41,143.11**	**5,289.96**	**41,143.11**
Financial Liabilities				
Borrowings:				
Long term borrowings	64,680.97	72,901.12	64,680.97	72,901.12
Short term borrowings	59,656.18	92,108.40	59,656.18	92,108.40
Others:				
Foreign exchange forward covers	-	135.25	-	135.25
Payable towards voluntary retirement scheme	-	8.43	-	8.43
Other financial liabilities	22,623.38	26,981.93	22,623.38	26,981.93
Total financial liabilities	**1,46,960.53**	**1,92,135.14**	**1,46,960.53**	**1,92,135.14**

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for Borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

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.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#includes amount related to discontinued operations (Refer Note 28)

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks counterparties with investment grade credit ratings.

(ii) Security deposits/Employee loans - The fair value of security deposits/employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments

(iv) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on 31 March 2022				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 14.10% & LTGR 4.00%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 56.16 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 50.40 lakhs respectively.
As on 31 March 2021				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 13.31% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 59.04 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 51.84 lakhs respectively.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets: (INR in lakhs)

As at 1 April 2020	**660.96**
Re-measurement gain recognised in OCI	31.68
Purchases	-
Sales	-
As at 31 March 2021	**692.64**
Re-measurement gain recognised in OCI	2,072.16
Purchases	-
Sales	-
As at 31 March 2022	**2,764.80**

37. Fair value measurements

(i) Financial instruments by category

(INR in lakhs)

	*31 March 2022			*31 March 2021		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets						
Investments-						
Investment in quoted equity share at FVTOCI	-	1,442.71	-	-	2,029.64	-
Investment in unquoted equity share at FVTOCI	-	2,764.80	-	-	692.64	-
Loans and interest thereon	-	-	336.49	-	-	325.08
Security deposits	-	-	309.01	-	-	290.66
Trade receivables	-	-	54,891.93	-	-	37,587.87
Cash and cash equivalents	-	-	562.20	-	-	5,625.78
Bank balances other than above	-	-	6,408.37	-	-	13,171.15
Foreign exchange forward covers	-	-	-	2.37	-	-
Other financial assets	-	-	436.95	-	-	37,802.71
Total Financial assets	**-**	**4,207.51**	**62,944.95**	**2.37**	**2,722.28**	**94,803.25**
Financial liabilities						
Borrowings	-	-	1,24,337.15	-	-	1,65,009.52
Trade payables	-	-	1,38,682.88	-	-	1,34,712.58
Foreign exchange forward covers	-	-	-	135.25	-	-
Payable for capital goods	-	-	29.50	-	-	458.02
Others	-	-	22,593.88	-	-	26,990.36
Total Financial liabilities	**-**	**-**	**2,85,643.41**	**135.25**	**-**	**3,27,170.48**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(ii) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022 : (INR in lakhs)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2022	1,442.71	1,442.71	-	-
Investment in unquoted equity share at FVTOCI	31 March 2022	2,764.80	-	-	2,764.80
Assets for which fair values are disclosed					
Loans and advances to related parties and interest thereon	31 March 2022	312.23	-	312.23	-
Employee loans and interest thereon	31 March 2022	24.26	-	24.26	-
Security deposits	31 March 2022	309.01	-	309.01	-
Foreign exchange forward covers	31 March 2022	-	-	-	-
Other financial assets	31 March 2022	436.95	-	436.95	-

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2022 : (INR in lakhs)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2022	64,680.97	-	64,680.97	-
Short term borrowings	31 March 2022	59,656.18	-	59,656.18	-
Payable towards voluntary retirement scheme	31 March 2022	-	-	-	-
Other financial liabilities	31 March 2022	22,623.38	-	22,623.38	-

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

Quantitative disclosures, fair value measurement hierarchy for assets as at 31 March 2021 : (INR in lakhs)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2021	2,029.64	2,029.64	-	-
Investment in unquoted equity share at FVTOCI	31 March 2021	692.64	-	-	692.64
Assets for which fair values are disclosed					
Loans and advances to related parties and interest thereon	31 March 2021	279.20	-	279.20	-
Employee loans and interest thereon	31 March 2021	45.88	-	45.88	-
Security deposits	31 March 2021	290.66	-	290.66	-
Foreign exchange forward covers	31 March 2021	2.37	-	2.37	-
Other financial assets	31 March 2021	37,802.71	-	37,802.71	-

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021 : (INR in lakhs)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31 March 2021	135.25	-	135.25	-
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2021	72,901.12	-	72,901.12	-
Short term borrowings	31 March 2021	92,108.40	-	92,108.40	-
Payable towards voluntary retirement scheme	31 March 2021	8.43	-	8.43	-
Other financial liabilities	31 March 2021	26,981.93	-	26,981.93	-

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

#includes amount related to discontinued operations (Refer Note 28)

38. 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 loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's risk management is carried out by a treasury department under policies approved by the Board of directors of the Company. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

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 market variables on: the carrying values of gratuity and other post retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(INR in lakhs)

Particulars	Increase/decrease in basis points	Effect on profit before tax
For the year ended 31 March 2022		
INR Borrowings	+50	(247.06)
INR Borrowings	-50	247.06
For the year ended 31 March 2021		
INR Borrowings	+50	(473.18)
INR Borrowings	-50	473.18

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

Notes to the Standalone Financial Statements for the year ended 31 March 2022

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company uses foreign exchange forward contracts to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 7 months.

Foreign currency sensitivity

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

For the year ended 31 March 2022 (INR in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(1,212.08)
	-5%	1,212.08

For the year ended 31 March 2021 (INR in lakhs)

Particulars	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(1,389.30)
	-5%	1,389.30

c) Commodity price risk

(i) The Company's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is with in the permissible norm for manufacturing of Urea.

(ii) The Company deals in purchase of imported fertilisers (i.e. DAP and MOP), which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) The Company also deals in purchase of imported raw materials (i.e. P2O5, Ammonia, Potash and Urea), which are imported by the Company and used in the manufacturing of NPK. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 2,764.80 lakhs (31 March 2021 : INR 692.64 lakhs). Sensitivity analyses of these investments have been provided in Note 37.

At the reporting date, the exposure to listed equity securities at fair value was INR 1,442.71 lakhs (31 March 2021 : INR 2,029.64 lakhs). A decrease of 5% on the BSE market price could have an impact of approximately INR 72.14 lakhs (31 March 2021 : INR 101.48 lakhs) on the OCI or equity attributable to the Company. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customer. The Company monitors the payment track record of the customer. 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 mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company holds collateral as security for many of its customers. At 31 March 2022, 5.45% (31 March 2021 : 15.38%) of the Company's trade receivables are covered by collateral security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical areas and are having long term business relationship with the Company.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company adjusts the receipts from customer on first in first out basis. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than five years and are not subject to enforcement activity. Security collaterals obtained by the Company resulted in a decrease in the ECL of INR 254.17 lakhs as at 31 March 2022 (31 March 2021 : INR 239.50 lakhs). During the year ended 31 March 2022, the Company had performed certain key steps for recoverability of trade receivables including but not limited to reconciliation with its customers, filing of legal cases with customers, recoverability assessment of aged receivables and etc. Basis these steps taken by the management, the Company is carrying provision of INR 1,826.61 lakhs (31 March 2021 : INR 4,346.37 lakhs) based on their best estimate.

Set out below is the information about the credit risk exposure of the Company's trade receivables and contract asset using provision matrix:

(INR in lakhs)

	Contract Asset	<1 Yr	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	>5 Yr	Grand Total
	ECL Rate	**0.89%**	**6.72%**	**15.52%**	**12.19%**	**31.32%**	**100.00%**	
31 March 2022	Estimated total gross carrying amount at default	1,774.82	75.77	791.78	3,573.34	1,992.06	1,689.60	**9,897.37**
	ECL- simplified approach	15.78	5.09	122.88	435.68	623.85	1,689.60	**2,892.88**
	Net carrying amount	**1,759.04**	**70.68**	**668.90**	**3,137.66**	**1,368.21**	**-**	**7,004.49**
31 March 2021	**ECL Rate**	**0.01%**	**2.92%**	**4.00%**	**14.86%**	**54.45%**	**100.00%**	
	Estimated total gross carrying amount at default	3,528.68	1,958.30	1,624.29	2,808.90	1,093.18	1,226.57	**12,239.92**
	ECL- simplified approach	0.38	57.11	64.91	417.51	595.20	1,226.57	**2,361.68**
	Net carrying amount	**3,528.30**	**1,901.18**	**1,559.38**	**2,391.39**	**497.99**	**-**	**9,878.24**

Reconciliation of provision for doubtful debts, loans, other financial assets and other advances falling under stage 3 of impairment testing :

(INR in lakhs)

	Trade receivables	Loans	Other financial assets	Other advances	Total
Provision as at 1 April 2020:	**7,987.61**	**802.62**	**74.28**	**3,258.28**	**12,122.79**
Add: Provision made during the year	2,207.48	-	-	-	2,207.48
Less: Provision utilized during the year	(3,487.04)	(1.00)	-	(45.89)	(3,533.93)
Less: Transferred to discontinued operations (Refer Note 28)	(4,756.70)	-	-	-	(4,756.70)
Provision as at 31 March 2021 :	**1,951.35**	**801.62**	**74.28**	**3,212.39**	**6,039.64**
Add: Provision made during the year	-	-	-	-	-
Less: Provision utilized/reversed during the year	-	(801.62)	-	-	(801.62)
Less: Transferred to discontinued operations (Refer Note 28)	-	-	-	-	-
Provision as at 31 March 2022 :	**1,951.35**	**-**	**74.28**	**3,212.39**	**5,238.02**

Reconciliation of impairment allowance on investment in equity securities at fair value through profit & loss (FVTPL):

	Amount (INR in lakhs)
Impairment allowance as on 1 April 2020:	**11,779.36**
Add: Provision made during the year	164.11
Less: Provision utilized during the year	-
Impairment allowance as on 31 March 2021 :	**11,943.47**
Add: Provision made during the year	-
Less: Provision reversed during the year	-
Impairment allowance as on 31 March 2022 :	**11,943.47**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further, the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(INR in lakhs)

	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2022					
Borrowings	94,033.22	28,850.00	-	-	1,22,883.22
Lease Liabilities	213.43	682.76	475.26	1,878.03	3,249.48
Other financial liabilities	22,623.38	-	-	-	22,623.38
Trade and other payables	1,38,682.88	-	-	-	1,38,682.88
Foreign exchange forward covers	-	-	-	-	-
	2,55,552.91	**29,532.76**	**475.26**	**1,878.03**	**2,87,438.96**
Year ended 31 March 2021					
Borrowings	1,05,111.68	58,479.95	-	-	1,63,591.63
Lease Liabilities	216.45	376.67	410.13	2,325.29	3,328.54
Other financial liabilities	26,990.36	-	-	-	26,990.36
Trade and other payables	1,34,712.58	-	-	-	1,34,712.58
Foreign exchange forward covers	135.25	-	-	-	135.25
	2,67,166.32	**58,856.62**	**410.13**	**2,325.29**	**3,28,758.36**

#includes amount related to discontinued operations (Refer Note 28)

39. Key financial ratios#

Particulars	31 March 2022	31 March 2021	% Change	Reasons for variance above 25% as per Schedule III requirement
1. Current Ratio (Current Assets/Current Liabilities)	0.31	0.47	33.37%	Primarily due to conversion of advance receivable into investment in current financial year.
2. Debt - Equity Ratio (Debt/Equity)	(8.22)	(15.19)	45.85%	Deviation is due to repayment of loans and decrease in loss in current financial year as compare to previous financial year.
3. Debt Service Coverage Ratio (Net profit after tax + Non cash operating expenses)/(Interest & Lease payaments + Principal Repayments)	0.11	0.16	31.74%	Improved due to reduction in finance cost and borrowings.
4. Return on Equity Ratio (Net profit after taxes/Average Shareholder's equity)	0.65	(56.51)	101.15%	Deviation is due to toal comprehensive loss for last two financial years consecutively.
5. Inventory turnover ratio (Cost of goods sold/Average Inventory)	12.56	8.24	-52.35%	Deviation is due to increase in cost of goods sold and reduction of average inventory in financial year 2021-22.
6. Trade Receivables turnover ratio (Net sales/Average Trade Receivables)	5.61	3.71	-51.29%	Deviation is due to increase in net sales and decrease in average debtors in financial year 2021-22.
7. Trade payables turnover ratio (Total Purchase/Average Trade Payable)	1.26	1.12	-11.68%	-
8. Net capital turnover ratio (Total Sales/ Working Capital)	(1.25)	(1.43)	12.63%	-
9. Net profit ratio (Profit after tax/Revenue)	(0.03)	(0.11)	69.70%	Deviation is due to reduction in loss after tax in financial year 2021-22 in comparison to Financial year 2020-21.
10. Return on Capital employed (EBIT/(Total Assets- Total Current Liabilities))	0.89	0.24	-271.21%	Deviation is due to increase in EBIT and incease in total asset less total liabilities.

#includes amount related to discontinued operations (Refer Note 28)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. 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 using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in lakhs)

	*31 March 2022	*31 March 2021
Total Borrowings (Refer Note 12A and Note 12B)	1,24,337.15	1,65,009.52
Trade payables (Refer Note 13)	1,38,682.88	1,34,712.58
Other payables (Refer Note 14)	22,623.38	27,583.63
Less: Cash and cash equivalents (Refer Note 10)	(562.20)	(5,625.78)
Net debts	**2,85,081.21**	**3,21,679.95**
Total Equity	(15,117.04)	(10,862.89)
Capital and net debt	**2,69,964.17**	**3,10,817.06**
Gearing ratio (%)	**105.60%**	**103.49%**

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.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and ended 31 March 2021 .

The Company has various covenants to be complied in respect of its borrowings. The primary covenants are total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio, fixed assets coverage ratio, current ratio, debt to EBITDA ratio, current assets to current liabilities ratio and total debt to equity ratio. Following are the non compliances for debt covenants for borrowings from:

Lender Name	Covenants Breached	Consequences of breach	Management assessment
HDFC Limited	Total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio	The Company shall pay default interest of 2% per annum over and above the applicable interest rate for each of the above event till such time such default/non-compliance is cured to the Lender's satisfaction	There is breach of certain covenants since year ended March 31, 2019. Due to breach of covenant, non-current portion of term loans from bank has been classified under current borrowings in the financial statement for which the lender had not charged any penal interest on such breach of covenants and had not withdrawn the facility and on that basis company has not accounted for penal interest.
Aditya Birla Finance Limited	Debt to EBITDA ratio, fixed asset coverage ratio, total debt to equity, total debt and contingent liability to equity, debt service coverage ratio	Any breach in financial covenants shall attract a penalty of 1% per annum till time such breach is cured.	

#includes amount and disclosure related to discontinued operations (Refer Note 28)

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

(i) Included in loans, the particulars of which are disclosed in below as required by Sec 186(4) of the Companies Act 2013:

Sl. No.	Name of the Borrower	Rate of Interest	Secured/ Unsecured	Due Date	Purpose	31 March 2022	31 March 2021
1	Adventz Trading DMCC	13.25%	Unsecured	6 years from the date of disbursement	General business purpose	199.12	192.08

For further details of loans, Refer Note 6B.

(ii) Details of Investments made are given under Note 6A.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

42. In earlier years, based on the circulars received for revision in uniform freight relating to secondary freight and direct road movement, the Company has accrued additional freight subsidy income of INR 3,677.75 (31 March 2021: INR 3,043.72 lakhs) relating to Urea and INR 3,106.47 (31 March 2021: INR 2,910.62 lakhs) for Phosphoric and Potassic Fertilisers.

Out of the above, the Company has raised and submitted bills for additional freight subsidy of INR Nil (upto 31 March 2021: INR 2,762.52 lakhs) relating to Urea and INR Nil (upto 31 March 2021 : INR 2,129.75 lakhs) for Phosphoric and Potassic Fertilisers.

The Company is in process of raising the balance bills of INR 1,891.96 (31 March 2021 : INR 1,062.07 lakhs) and collected INR 3,879.34 lakhs (31 March 2021: INR 3,542.55 lakhs). The Company is hopeful to realize the balance amount of INR 2,904.89 lakhs (31 March 2021 : INR 2,411.80 lakhs).

43. The Company is carrying a receivable of INR 1,949.03 lakhs (31 March 2021 : INR 1,949.03 lakhs) for the period February 2013 and March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office memorandum dated 16 April 2018 issued by the Department of Fertilizer (DoF), the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the relevant district during February 2013 and March 2013 months in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet/CCEA for that year. The Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence Nutrient Based Subsidy rates of 2013 should be applicable. The Company had filed writ petition at Hon'ble High Court of Delhi (DHC) against Department of Fertilizer to recover this amount. Pursuant to the court order, the Court hearing was granted by DoF to present its claims and also submitted written representations.

DoF vide their order dated 29 September 2019 had rejected the representation and submissions by the Company against which the Company has filed writ petition to the higher authority against the order passed by DoF. On 3 March 2021 DHC has issued notice in the writ petition and has directed DoF to file its reply. DoF has filed its reply on 27 July 2021, and the Company has been directed to file its rejoinder within six weeks thereafter. The Company has filled rejoinder and in the hearing on 28 March 2022, final disposal of the matter is scheduled on 18 July 2022. Based on the legal assessment done by the Company, it is hopeful to realize the aforesaid amount, hence, no provision has been made in the accounts.

44. During the financial year 2013-14, the Company had sold part of freehold land to Zuari Global Limited at a consideration of INR 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title is under progress. The Company had received full consideration from the buyer in the financial year 2013-14.

45. In terms of demerger of fertilizer undertaking from Zuari Global Limited in an earlier year, the land records of some of the land parcels are in the process of being mutated in the name of the Company.

46. Zuari Global Limited (ZGL) had demerged its fertilizer undertaking to the Company with effect from 1 July 2011. ZGL has during an earlier year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Company.

The Company has exchanged letter of mutual understanding with ZGL wherein the Company has paid such amount of income tax paid under protest. During the financial year ended on 31 March 2017, the Company had paid INR 2,533.85 lakhs to ZGL on this account pending completion of final assessment/litigation in respect of such financial years, out of which, for the year ended 31 March 2019, ZGL has received a favourable order of INR 825.50 lakhs in respect of fertilizer undertaking for the assessment year 2008-09, 2009-10, 2010-11 and 2011-12. During the financial year ended on 31 March 2021, consequent to receipt of favourable order for assessment year 2012-13, claim of fertiliser undertaking of INR 1,186.20 lakhs was no more recoverable from ZGL. The Company is hopeful to realize the above entire amount of INR 522.15 lakhs (31 March 2021: INR 522.15 lakhs).

47. During the year ended 31 March 2020 due to devolvement of loans, a remuneration of INR 81.00 lakhs paid to its then managing director in accordance with ordinary resolution but not without prior approval from banks/financial institutions and approval of the shareholders by a special resolution as per provisions of Section 197 of Companies Act, 2013 (Act) read with Schedule V, has been recognized as recoverable from the managing director as at year end. As per Section 197(10) of the Act, the Company proposes to seek approval of shareholders by way of special resolution for waiver of recovery of remuneration paid to the then managing director, after obtaining prior approvals from the banks/financial institutions for which Company has initiated the process.

48. The Company has assessed the impact of COVID -19 and concluded that there is no material impact on the operations of the Company and no material adjustment is required at this stage in the standalone financial statements for the year ended 31 March 2022 . However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID-19 and the impact may be different from the estimates considered while preparing the these standalone financials statements.

49. The Company is engaged in the manufacturing, distribution, import and sale of Urea, DAP and various grades of NPK fertilizers under the "Jai kisaan" brand for more than 5 decades. In Q4 of FY19 and Q1 of FY20, due to significant delays in receipt of Government Subsidies, drought like situation in key marketing areas led to deterioration of the Company's liquidity position along-with elongation of the working capital cycle and also a buildup of high priced inventory. The Company was unable to pass on the increase in the prices of the raw materials to the farmers which contributed to operating losses, cash flow mismatch and reduced financial flexibility leading to the Company having a net current liability position, which adversely impacted the Company's cash flows, debt position, and led to the recall of borrowings by certain lenders, downgrading of rating to ICRA D and prolonged shutdown of its plants for different periods during the earlier periods. The net current liability position as on 31 March 2022 are INR 2,08,284.51 lakhs (as at 31 March, 2021 INR 1,55,674.15 lakhs).

The Company had cleared all the overdues with Banks/Financial Institutions and have reduced its borrowings and all debt accounts are standard with the lenders. The credit ratings as on April 2020 was upgraded to ICRA B stable, which though shifted to Credit rating ICRA B placed under watch with developing implications from July 2020 onwards.

During the year, Ammonia and Urea plant operated at normal levels. Further, operations of NPK A and B plant were intermittently in operation primarily due to non-availability of raw materials.

The above factors/events indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has entered into a Business Transfer Agreement with a group company (PPL) for transfer of its fertilizer plant at Goa and associated businesses (Fertilizer Division) of the Company as a going concern on a slump sale basis. During the year ended 31 March 2022, PPL continues to provide necessary financial assistance to run the operations of the Company. Further, the Company is also undertaking various steps to continue operations at its fertilizer plant and discussions with lenders for funding as required based on available credit limits. A combination thereof and resultant future cash flow projections, the management of Company believes that the Company will be able to realize its assets and discharge its liabilities and material uncertainty on the Company's ability to continue as a going concern will be addressed.

50. The Company had received a requisition under Section 100(2) of the Companies Act, 2013 from a group of shareholders holding 10.69% of shares, requesting the Board to call for an Extraordinary General Meeting (EGM) to discuss matters including proceeding against the two BTAs, i.e. the Business Transfer Agreement (BTA) dated 1 March 2021 to transfer its fertilizer plant at Goa and its associated businesses to Pardeep Phosphates Limited and BTA dated 31 March 2021 to transfer its assets and liabilities of its retail, speciality nutrient business (SPN) & allied, crop protection & care business (CPC), seeds and blended businesses to Zuari Farmhub Limited (ZFL) with effect from 31 March 2021, on a going concern basis under a slump sale. The EGM was called on 23 June 2021 by the Board of Directors through video conferencing/other audio visual means. However, since the requisite quorum was not present at the EGM, thereby the EGM of the Members of the Company called by the requisitionists under Section 100, was cancelled for want of quorum as stipulated under Section 103(2) (b) of the Companies Act 2013. Necessary filing in this regard have already been made by the Company as required by the Regulations/statute. Further, subsequent to the year end 31 March 2021, the same group of shareholders have filed a petition in National Company Law Tribunal (NCLT), Mumbai for cancellation of these BTAs for which the Company based on the legal opinion obtained believes that the petition, would not be tenable and does not have any impact on the BTAs. The petition is pending before NCLT, Mumbai.

51. (a) United Breweries Limited, KingFisher Finvest India Limited, McDowell Holdings Limited instituted arbitration proceedings against the Company and its erstwhile subsidiary, Zuari Fertilizer and Chemicals Limited (now merged with the Company) alleging breach of the Share Holders Agreement (SHA) dated 12 May 2014 executed between the parties. The arbitration was instituted before the former Chief Justice of India. The Award was passed on 8 May 2017 wherein the Arbitrator has held that the SHA cannot be specifically enforced. The claims raised by the Claimants stand dismissed and the arbitrator has ordered to pay to the Company a sum of INR 75.00 lakhs. The Award has been challenged by the Claimants before the High Court of Bombay at Mumbai and the matter has been disposed in favour of the Company.

(b) Mangalore Chemicals and Fertilizers Limited (MCFL), a subsidiary Company, in an earlier year had engaged an independent firm to carry out forensic review of certain transactions relating to investment in preference shares of Bangalore Beverages Limited and advances to United Breweries (Holdings) Limited, which indicated that these transactions may have involved irregularities. These investment of INR 20,000.00 lakhs and advances of INR 1,668.20 lakhs aggregating to INR 21,668.20 lakhs were fully provided for during the year ended March 31, 2016.

Zuari Fertilisers and Chemicals Limited, the holding company (now merged with the Company) had filed a petition before the National Company Law Tribunal, Bengaluru ("NCLT") to claim accountability of erstwhile promoter group for the aforesaid irregularities. On 19 August 2019 the aforesaid petition has been withdrawn and accordingly this matter has been disposed of by the NCLT.

52. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

53. Adjustment for events after approval of financial statements, for the year ended 31 March, 2021, of the Company by the Board of Directors of the Company in their meeting held on 28 May 2021

An addendum to the Business Transfer Agreement dated 1 March 2021 was executed between the Company and PPL to (A) amend the long stop date from 30 June 2021 to 31 December 2021 under Clause 1.1 of the Business Transfer Agreement and further based on second addendum in BTA dated 30 December, 2021 long stop date has been extended to 30 June 2022. (B) amend clause 4.5.2 (a) of Business Transfer Agreement from 'All outstanding amounts under the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Seller prior to Completion Date, and the Seller shall deposit sufficient funds with the relevant member of the SBI Consortium to settle any non-fund based facility availed under the Working Capital Facility Agreement' to 'All outstanding amounts under the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Seller prior to or on Completion Date, and the Seller shall deposit sufficient funds with the relevant member of the SBI Consortium to settle any non-fund based facility availed under the Working Capital Facility Agreement'; and (C) to include, 'Further, in light of the extension of the Long Stop Date, the Parties agreed that the Purchaser shall provide necessary interim financial assistance to the Seller including financial assistance for energy improvement project of the Seller, in the form and manner as may be mutually acceptable to the Parties in writing, that the Seller may require to operate the Business prior to the Completion Date, and such financial assistance shall be adjusted towards the Purchase Consideration payable by the Purchaser under the Agreement'.

Pursuant to above addendum and commercial understanding between the Company and PPL, the management of both the companies have decided that the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Company prior to or on Completion Date and would not be assumed by PPL. The impact of the same has been considered in the current financial year and accordingly the short term borrowings of INR 44,846.18 lakhs as at 31 March 2022 has not been included as part of discontinued operation whereas, for the year ended 31 March 2021 INR 72,608.40 lakhs is included in short term borrowings of discontinued operation.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

54. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) **The Struck off Company details**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Popular Stock and Share Services Private Limited	Shares held by struck off company	4,000.00
Bombay Trading Company Private Limited		4,000.00
P R Investments Limited		100.00
Florescent Securities Limited		100.00
Kothari Intergroup Limited		20.00
Alphine Rototech Private Limited	Trade Payables	3,49,965.00

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or

(b) provide any guarantee, security.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or

(b) provide any guarantee, security.

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

55. Previous period/year figures have been regrouped/re-classified wherever necessary.

As per our report of even date
For **K.P. Rao & Co.**
Chartered Accountants
ICAI Firm Registration Number : 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Zuari Agro Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zuari Agro Chemicals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2022, their consolidated profit and loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its joint venture 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 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 audit opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 51 in the accompanying consolidated financial statements, which states that in addition to net current liability position as at March 31, 2022, there are events or conditions which indicate that a material uncertainty exists that may cast significant doubt on Holding Company's ability to continue as a going concern. It also describes the mitigating factors considered by the management in its assessment, in view of which the accompanying consolidated financial statements have been prepared under the going concern assumption. Our opinion is not qualified in respect of this matter.

Emphasis of Matters

a. We draw attention to Note 48 of the accompanying consolidated financial statements, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Group.

b. We draw attention to Note 44 of the accompanying consolidated financial statements, wherein the Holding Company is carrying a receivable of INR 1,949.03 lakhs in relation to the subsidy income accrued during the year ended March 31, 2013. Based on the legal opinion obtained by the Holding Company, the management believes that the amount is fully recoverable from the department of fertilizers. Pending settlement of the differential subsidy amount as more fully explained in note, the Holding Company has not made any provision in this regard in the accompanying consolidated financial statements.

c. We draw attention to Note 8 of the accompanying consolidated financial statements, regarding Goods and Services Tax ('GST') credit on input services recognized by the Holding Company, which the management has assessed to recover based on the legal opinion obtained by the Holding Company. The Holding Company has also filed a writ petition in the High Court of Bombay at Goa.

d. We draw attention to Note 20, which states that in case of a Subsidiary Company (MCFL), MCFL has recognized urea subsidy income of INR 2,914.00 lakhs in previous year considering that benchmarking of its cost of production of urea using Naptha with that of gas based urea manufacturing units is arbitrary and for which the MCFL has filed a writ petition against the Department of Fertilizers before the Hon'ble High Court of Delhi. Based on legal opinion obtained, the management of MCFL believes that the criteria for recognition of subsidy revenue is met.

Our opinion is not modified in respect of above matters.

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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the 'Material Uncertainty Related to Going Concern' section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Impact of government policies/notifications on recognition of concession income and their recoverability (as described in Note 11 and 20 of the Consolidated financial statements)	
The Group recognises concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilizers at the time of sale of goods to its customers. During the current year, the Group has recognised concession income of INR 1,98,762.71 lakhs and as at March 31, 2022, the Group has receivables of INR 1,09,345.71 lakhs relating to concession income. We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of interpretation of various notifications from the Department of Fertilizers. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of variation in the related computation rates and basis for determination of accruals of concession income. Accordingly, this matter has been determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Read the relevant notifications and policies issued by Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognised pursuant to changes in the rates and basis for determination of concession income. • Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the concession income. • Evaluated the management's assessment regarding compliance with the relevant conditions as specified in the notifications and policies and collections of concession income. • Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends. • Assessed the related disclosure in consolidated financial statements.
Discontinued Operations and Asset held for sale in relation to Sale of its Fertilizer Plant at Goa to Paradeep Phosphates Ltd. (PPL), subsidiary of Holding Company's Joint Venture (as described in Note 29 of the consolidated financial statements)	
During the previous year, the Holding Company has entered into a Business Transfer Agreement (BTA) for the sale of Company's fertilizer plant at Goa and associated businesses of the Company to PPL as a going concern, on a slump sale basis for an agreed enterprise value of INR 205,225.44 lakhs and for entering into necessary Business Transfer Agreement with PPL. As at March 31, 2022, the Holding Company has presented the operations of its Fertilizer plant as "Discontinued Operations" and its related assets as "Assets held for sale" and liabilities as "Liabilities directly associated with the assets held for sale" in accordance with Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations). We focused on this area considering that this was a significant event during the year. Accordingly, this matter has been determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Evaluated the design and tested the operating effectiveness of the controls over the accounting of this transaction. • Obtained the management's valuation report for the sale consideration and compared the same with the carrying value of the underlying assets. • We gained an understanding of the BTA. Our focus was on understanding the contractual terms associated with the sale of Fertilizer plant at Goa and its associated businesses, which define the assets and liabilities to be transferred and, in particular, any liabilities or obligations retained or created. • Reviewed the accounting treatment for the said transaction. • Checked the related computation for disclosures of discontinued operation and held for sale and evaluated that they have been appropriately separated from continuing operations. • Assessed the adequacy of the related disclosures in the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Estimates with respect to recognition of deferred tax assets on unused tax losses (as described in Note 19 of the consolidated financial statements)	
As at March 31, 2022, the Holding Company has recognized deferred tax assets of INR 6,741.16 lakhs in the consolidated financial statements. Deferred tax assets are recognized on unabsorbed tax losses when it is probable that taxable profit will be available against which such tax losses can be utilized. The Holding Company's ability to recognize deferred tax assets on unabsorbed tax losses is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the assumptions on which such projections are determined by the management. Given the degree of estimation based on the projection of future taxable profits, management's decision to create deferred tax assets on unabsorbed tax losses has been identified to be a key audit matter.	Our audit procedures included the following: • Gained an understanding of the deferred tax assessment process and assessed the design and tested the operating effectiveness of controls over recognition of deferred tax. • Discussed and evaluated management's assumptions and estimates like projected revenue growth, margins, etc. in relation to the probability of generating future taxable income to support the utilization of deferred tax on unabsorbed tax losses with reference to forecast taxable income and performed sensitivity analysis. • Tested the arithmetical accuracy of the model. • Assessed the related disclosures in respect of the deferred tax assets in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and Extract of Annual Return and Secretarial Audit Report, which is expected to be made available to us after that date.

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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern (refer Note 51 of the accompanying consolidated financial statements), disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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 Holding 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements (refer our note on Material Uncertainty Related to Going Concern above) or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 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 financial statements of one of the subsidiaries whose financial statements include total assets of INR 30,451.46 lakhs as at March 31, 2022, total revenues of INR 69,299 lakhs and net cash inflows of INR 5,851.27 lakhs for the year ended on that date have been audited by us.

b. We did not audit the financial statements and other financial information, in respect of another subsidiary, whose financial statements include total assets of INR 2,17,890.44 lakhs as at March 31, 2022, total revenues of INR 2,89,558.30 lakhs and net cash inflows of INR 12,966.18 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

   The consolidated financial statements also include the Group's share of net profit of INR 16,028.65 lakhs for the year ended March 31, 2022, as considered in the consolidated special purpose financial statements, in respect of one joint venture, whose special purpose financial statements, have been audited by other auditor and whose report have been furnished to us by the Management.

   Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the report of such other auditors.

c. One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other 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 1" 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   a. We and the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies and its joint venture, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

   g. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

      In our opinion and according to the information and explanation given to us,the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, 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

   Further, as explained in Note 47 of the consolidated financial statements, managerial remuneration for the year ended March 31, 2020 in relation to the Managing Director of the Holding Company was paid in excess of the limits provided in provisions of Section 197 read with Schedule V to the Act by INR 81.00 lakhs without obtaining requisite approvals from the banks/financial institutions and which was subject to shareholders approval by a special resolution and pending which the Holding Company recognised a recoverable of INR 81.00 lakhs from the Managing Director as at March 31, 2020. The requisite approvals from the banks/financial institutions and shareholders are yet to be obtained.

   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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

   (i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

(ii) The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2022.

(iv) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause(iv)(a) and (iv)(b) contain any material mis-statement.

(v) The dividend declared or paid during the year by the subsidiary companies incorporated in India are in compliance with Section 123 of the Act.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S.
Partner
Membership Number: 228407
UDIN :22228407AJVMHD3372

Place : Bangalore
Date : May 29, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

(Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

According to the information and explanations given to us, in respect of below mentioned companies incorporated in India and included in the consolidated financial statements,:

Name of the Entity	CIN	Nature	Adverse comments of component auditors, if any
Zuari Maroc Phosphates Private Limited	U24124OR2002PTC017414	Joint Venture	Since, special purpose audit report was issued by the component auditors and they have stated that reporting of CARO, 2020 to the company is not applicable.
Mangalore Chemicals and Fertilisers Limited	L24123KA1966PLC002036	Subsidiary	Nil
Zuari Farmhub Limited	U52202GA2019PLC014150	Subsidiary	Nil

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S.
Partner
Membership Number: 228407
UDIN :22228407AJVMHD3372

Place : Bangalore
Date : May 29, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ZUARI AGRO CHEMICALS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of Zuari Agro Chemicals Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and joint venture, which are companies incorporated in India, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture incorporated in India.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No. 003135S

Prashanth S.
Partner
Membership Number: 228407
UDIN :22228407AJVMHD3372

Place : Bangalore
Date : May 29, 2022

Consolidated Balance Sheet as at 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	**3A**	1,23,923.02	1,23,243.14
Right of use assets	**3B**	6,972.95	8,082.76
Capital work-in-progress	**3A**	32,006.05	7,826.17
Investment property	**4**	362.29	362.29
Intangible assets	**5**	11,123.52	11,445.68
Intangible assets under development	**5**	-	-
Investment in joint ventures	**6**	1,08,429.15	92,439.34
Financial assets			
(i) Investments	**7A**	4,217.95	2,722.28
(ii) Loans	**7B**	3.85	2.28
(iii) Others	**7C**	1,068.09	970.18
Deferred tax asset (net)	**19A**	6,977.76	6,741.16
Other non-current assets	**8**	2,079.44	12,317.35
Income tax assets (net)	**19B**	1,472.72	1,116.34
		2,98,636.79	**2,67,268.97**
Current assets			
Inventories	**9**	50,388.04	22,156.02
Financial assets			
(i) Investments	**7A**	0.10	0.10
(ii) Trade receivables	**11**	63,350.94	45,392.77
(iii) Cash and cash equivalents	**12A**	56,551.26	42,732.30
(iv) Bank balances other than (iii) above	**12B**	13,922.72	18,160.93
(v) Loans	**7B**	-	1.09
(vi) Others	**7C**	1,613.69	2,200.62
Other current assets	**8**	9,881.42	10,008.66
		1,95,708.17	**1,40,652.49**
Assets held for sale	**10**	1,31,881.36	1,29,266.49
		3,27,589.53	**2,69,918.98**
Total assets		**6,26,226.32**	**5,37,187.95**
Equity and liabilities			
Equity			
Equity share capital	**13**	4,205.80	4,205.80
Other equity	**13A**	32,495.16	15,413.44
Equity attributable to equity holders of the parent company		**36,700.96**	**19,619.24**
Non-controlling interests		47,743.61	44,258.40
Total equity		**84,444.57**	**63,877.64**

Consolidated Balance Sheet as at 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Non-current liabilities			
Financial liabilities			
(i) Borrowings	**14A**	50,665.13	52,122.50
(ia) Lease liabilities	**14A**	6,682.76	7,322.38
(ii) Others	**16**	15.14	100.76
Deferred tax liabilities (net)	**19A**	5,106.70	2,787.70
Other non-current liabilities	**17**	34.11	51.17
Provisions	**18**	1,713.73	1,763.85
		64,217.57	**64,148.36**
Current liabilities			
Financial liabilities			
(i) Borrowings	**14B**	2,06,368.18	1,25,120.84
(ia) Lease liabilities	**14B**	595.89	533.33
(ii) Trade payables	**15**		
a) total outstanding dues of micro enterprises and small enterprises		1,057.85	1,267.62
b) total outstanding dues of creditors other than micro enterprises and small enterprises		57,658.80	39,566.86
(iii) Others	**16**	19,417.09	14,014.07
Liabilities for current tax (net)	**19C**	838.83	195.28
Other current liabilities	**17**	4,699.87	2,422.70
Provisions	**18**	1,367.93	1,129.68
		2,92,004.44	**1,84,250.38**
Liabilities directly associated with the assets held for sale	**10**	1,85,559.74	2,24,911.57
Total liabilities		**5,41,781.75**	**4,73,310.31**
Total equity and liabilities		**6,26,226.32**	**5,37,187.95**
Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date
For **K. P. Rao & Co.**
Chartered Accountants
ICAI Firm Registration No.: 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing Operations				
I	**Revenue**			
	Revenue from operations	20	3,58,979.83	2,40,374.49
	Other income	21	6,051.42	6,245.14
	Total income (I)		**3,65,031.25**	**2,46,619.63**
II	**Expenses**			
	Cost of raw material and components consumed	22	1,96,213.83	1,11,017.28
	Purchases of traded goods	23	54,693.84	41,231.45
	Changes in inventories of finished goods, traded goods and work-in-progress	24	(15,048.53)	2,468.48
	Employee benefits expense	25	10,486.11	9,809.13
	Finance costs	26	17,263.28	20,044.70
	Depreciation and amortization expense	27	6,749.28	6,796.35
	Other expenses	28	89,317.85	55,273.13
	Total expense (II)		**3,59,675.66**	**2,46,640.52**
III	**Profit/(Loss) before share of profit of joint venture and tax (I - II)**		**5,355.59**	**(20.89)**
IV	Add: Share of profit of joint venture		16,028.65	8,673.85
V	**Profit/(loss) before tax (III-IV)**		**21,384.24**	**8,652.96**
VI	**Tax expense:**			
	(1) Current tax	19	2,518.18	1,955.00
	(2) Tax relating to earlier years	19	116.17	-
	(3) Deferred tax charge	19	2,092.10	1,891.21
	Income tax expense		**4,726.45**	**3,846.21**
VII	**Profit/(loss) for the year from continuing operations (V - VI)**		**16,657.79**	**4,806.75**
	Discontinued operations			
VIII	Profit/(Loss) before tax for the year from discontinued operations	29	424.94	(17,431.31)
IX	Tax Income/(expense) of discontinued operations	19	-	-
X	**Profit/(Loss) for the year from discontinued operations (VIII - IX)**		**424.94**	**(17,431.31)**
XI	**Profit/(Loss) for the year (VII + X)**		**17,082.73**	**(12,624.56)**
XII	**Other comprehensive Income/(loss)**	13B	**4,029.05**	**1,233.09**
	A. Items that will not be reclassified to profit or loss			
	Re-measurement gains on defined benefit plans		(14.73)	131.09
	Income tax effect	19	9.70	(27.26)
	Net income/(loss) on equity Instruments through other comprehensive Income		4,079.21	1,093.29
	Income tax effect	19	-	-
	Share of other comprehensive income of joint venture (net of tax)		(38.84)	28.49
	B. Items that will be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		(6.29)	7.48
XIII	**Total comprehensive Income/(loss) for the year, net of tax (XI + XII)**		**21,111.78**	**(11,391.46)**
	Profit/(loss) for the year			
	Attributed to:			
	Equity holders of the parent		13,043.35	(15,709.38)
	Non controlling interest		4,039.38	3,084.82
	Comprehensive income/(loss) for the year			
	Attributed to:			
	Equity holders of the parent		4,038.37	1,209.76
	Non-controlling interest		(9.32)	23.33
	Total comprehensive income/(loss) for the year			
	Attributed to:			
	Equity holders of the parent		17,081.72	(14,499.62)
	Non-controlling interest		4,030.06	3,108.15
XIV	Earnings/(loss) per equity share: (nominal value of share INR 10/- (31 March 2021 (INR 10/-))	30B		
	(1) Basic and diluted from continuing operations		30.00	4.10
	(2) Basic and diluted from discontinued operations		1.01	(41.45)
	(3) Basic and diluted from continuing and discontinued operations		31.01	(37.35)
Summary of significant accounting policies		2		

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date
For **K. P. Rao & Co.**
Chartered Accountants
ICAI Firm Registration No.: 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flow from operating activities:**		
	Profit/(loss) before tax from continuing operations	21,384.24	8,652.96
	(Loss) before tax from Discontinued operations	424.94	(17,431.31)
	Share of (profit) a joint venture	(16,028.65)	(8,673.85)
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation of property, plant and equipment	6,396.54	10,271.75
	Amortisation of intangible assets	352.74	439.69
	Loss/(profit) on disposal of property, plant and equipment (net)	543.64	(404.13)
	Excess provision/unclaimed liabilities/unclaimed balances written back	(4,450.28)	(1,107.01)
	Bad debts, claims and advances written off	101.77	1,881.10
	Provision for doubtful debts, claims and advances	970.23	1,785.38
	Subsidy claims written off	(7.93)	188.48
	Incentive under packing scheme incentive	(17.06)	(17.06)
	Deferred service income	(30.34)	(30.34)
	Unrealized foreign exchange fluctuation loss	1,680.67	231.24
	Interest expense	24,398.79	36,706.38
	Rent Received	(121.09)	-
	Interest income	(1,794.12)	(1,967.93)
	Dividend income	(5.76)	(3.60)
	Operating profit/(loss) before working capital adjustments	**33,798.33**	**30,521.75**
	Working capital adjustments:		
	Increase/(Decrease) in provisions	151.94	(331.25)
	Increase/(Decrease) in trade payables and other liabilities	70,529.16	(27,178.25)
	(Increase)/Decrease in trade receivables	(33,664.06)	1,36,978.42
	(Increase)/Decrease in Inventories	(17,824.74)	10,479.22
	Decrease/(Increase) in other assets and financial assets	6,120.32	(726.33)
	Decrease/(Increase) in loans and advances	371.54	476.83
		25,684.16	**1,19,698.64**
		59,482.49	**1,50,220.39**
	Less: Income tax paid (net of refunds)	(2,347.19)	1,886.17
	Net cash flow from operating activities (A)*	**57,135.30**	**1,52,106.56**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment, including intangible assets, capital work-in-progress and capital advances	(22,767.76)	(7,995.58)
	Proceeds from sale of property, plant and equipment	29.02	805.67
	Proceeds from sale of non-current investments	2,593.99	164.11
	Investment in bank deposits (having original maturity of more than 3 months)	4,203.43	(12,367.65)
	Interest received	2,098.19	2,310.93
	Rent Received	121.09	-
	Dividend received	5.76	3.60
	Net cash flow (used in) investing activities (B)	**(13,716.28)**	**(17,078.92)**
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	24,936.10	12,512.34
	(Repayment) of long term borrowings**	(25,021.31)	(29,005.69)
	(Repayment) of lease Liability	(1,571.29)	(821.73)
	Proceeds from short term borrowings	69,021.09	21,524.77
	(Repayment) of short term borrowings	(62,732.39)	(89,411.97)
	Dividend paid on equity shares	(544.87)	(272.58)
	Interest paid	(33,687.39)	(33,324.63)
	Net cash flow (used in) in financing activities (C)	**(29,600.06)**	**(1,18,799.49)**

Consolidated Statement of Cash Flows for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

		For the year ended 31 March 2022	For the year ended 31 March 2021
D	**Net increase/(decrease) in cash and cash equivalents (A + B + C)**	**13,818.96**	**16,228.15**
	Cash and cash equivalents at the beginning of the year	42,732.30	26,504.15
	Cash and cash equivalents at the end of the year (Refer Note 12)	**56,551.26**	**42,732.30**
	Cash and cash equivalents	**31 March 2022**	**31 March 2021**
	Balances with banks:		
	- on current accounts	11,229.27	6,177.74
	- on cash credit accounts	316.05	3,327.24
	- Deposits with original maturity of less than 3 months	45,002.61	33,225.62
	Cash on hand	3.33	1.70
	Cash and cash equivalents	**56,551.26**	**42,732.30**

Changes in liabilities arising from financing activities :

	1 April 2021	Cash flows	Discontinued operations (Refer Note 29)	Non-cash changes***	31 March 2022
Long term borrowings (Refer Note 14A)	91,871.73	(85.21)	-	36.89	91,823.41
Short term borrowings (Refer Note 14B)	85,371.61	6,288.70	72,608.40	941.19	1,65,209.90
Lease liabilities (Refer Note 14A)	7,855.71	(1,571.29)	-	994.23	7,278.65
Total liabilities from financing activities	**1,85,099.06**	**4,632.20**	**72,608.40**	**1,972.31**	**2,64,311.96**

	1 April 2020	Cash flows**	Discontinued operations (Refer Note 29)	Non-cash changes***	31 March 2021
Long term borrowings (Refer Note 14A)	1,00,592.81	(8,774.25)	(76.33)	129.50	91,871.73
Short term borrowings (Refer Note 14B)	2,26,804.60	(67,887.20)	(72,608.40)	(937.39)	85,371.61
Lease liabilities (Refer Note 14A)	9,410.84	(2,376.86)	(1,417.90)	2,239.63	7,855.71
Total liabilities from financing activities	**3,36,808.25**	**(79,038.30)**	**-74,102.63**	**1,431.74**	**1,85,099.06**

*Cash flow from operating activities for the year 31 March 2022 is after considering corporate social responsibility expenditure of INR 193.02 lakhs (31 March 2021: INR 189.46 lakhs)
**Includes repayments of principal and interest (excluding repayment of long term borrowings of INR 7,719.10 lakhs classified as current though repayable beyond 12 months)
***Includes exchange differences on borrowings, lease additions and interest accretion for lease liabilities.

Summary of significant accounting policies **2**
The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date
For **K. P. Rao & Co.**
Chartered Accountants
ICAI Firm Registration No.: 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Consolidated Statement of changes in equity for the year ended 31 March 2022

(Amount in INR lakhs, unless otherwise stated)

(a) Equity Share Capital

	31 March 2022		31 March 2021	
Equity shares of INR 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**	**No. of shares**	**Amount**
At 1 April	42,058,006	4,205.80	42,058,006	4,205.80
At 31 March	42,058,006	4,205.80	42,058,006	4,205.80

(b) Other equity

For the period ended 31 March 2022 :

	Reserves and surplus (Refer Note 13A)				OCI				
	Business Restructuring Reserve	Capital Reserves	Surplus/ (deficit) in the statement of profit and loss	General reserve	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Total other equity	Non - controlling Interests	Total equity
As at 1 April 2021	**65,404.84**	**57,927.16**	**(1,11,263.34)**	**6,150.00**	**29.47**	**(2,834.69)**	**15,413.44**	**44,258.40**	**59,671.84**
Profit/(loss) for the year	-	-	13,043.35	-	-	-	13,043.35	4,039.38	17,082.73
Other comprehensive income (Refer Note 13B)	-	-	(34.55)	-	(6.29)	4,079.21	4,038.37	(9.32)	4,029.05
Total comprehensive income/ (loss) for the year	**-**	**-**	**13,008.80**	**-**	**(6.29)**	**4,079.21**	**17,081.72**	**4,030.06**	**21,111.78**
Cash dividends	-	-	-	-	-	-	-	(544.85)	(544.85)
As at 31 March 2022	**65,404.84**	**57,927.16**	**(98,254.54)**	**6,150.00**	**23.18**	**1,244.52**	**32,495.16**	**47,743.61**	**80,238.77**

For the year ended 31 March 2021 :

	Reserves and surplus (Refer Note 13A)				OCI				
	Business Restructuring Reserve	Capital Reserves	Surplus/ (deficit) in the statement of profit and loss	General reserve	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Total other equity	Non- Controlling Interest	Total equity
As at 1 April 2020	**65,404.84**	**57,927.16**	**(95,662.95)**	**6,150.00**	**21.99**	**(3,927.98)**	**29,913.06**	**41,422.68**	**71,335.72**
Profit/(loss) for the year	-	-	(15,709.39)	-	-	-	(15,709.39)	3,084.82	(12,624.57)
Other comprehensive income/ (loss) (Refer Note 13B)	-	-	108.99	-	7.48	1,093.29	1,209.76	23.33	1,233.11
Total comprehensive income/ (loss) for the year	**-**	**-**	**(15,600.39)**	**-**	**7.48**	**1,093.29**	**(14,499.63)**	**3,108.15**	**(11,391.45)**
Cash dividends	-	-	-	-	-	-	-	(272.43)	(272.43)
As at 31 March 2021	**65,404.84**	**57,927.16**	**(1,11,263.34)**	**6,150.00**	**29.47**	**(2,834.69)**	**15,413.44**	**44,258.40**	**59,671.84**

Summary of significant accounting policies **2**

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date
For **K. P. Rao & Co.**
Chartered Accountants
ICAI Firm Registration No.: 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

1. Corporate Information

The Consolidated Financial Statements comprises financial statements of "Zuari Agro Chemicals Limited" ("the Parent Company" or "ZACL") and its subsidiaries (collectively, the Group) and its joint ventures for the year ended 31 March 2022.

The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Parent Company is located at Jai Kisaan Bhawan, Zuarinagar, Goa 403726. Please refer Note 29 for "Discontinued Operations".

The Group is in the business of manufacturing, trading and marketing of chemical fertilizers, water soluble fertilizers, seeds, pesticides and fertilizer products.

These Consolidated Financial Statements were approved for issue in accordance with a resolution of the Board of Directors of the Parent Company in their meeting held on 29 May 2022.

2.A. Summary of Significant Accounting Policies

i) Basis of Preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Defined benefit plans – plan assets measured at fair value.

The Consolidated Financial Statements of the Group are presented in Indian Rupee (INR) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit and loss after tax from discontinued operations in the statement of profit and loss. Please refer Note 29 for "Discontinued Operations". All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

ii) Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However, the non-controlling interests have been restricted to zero on the transition date i.e. 1 April 2015 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the non-controlling interest holders in excess of their equity on the transition date, in the absence of the contractual obligation on the non-controlling interest holders, the same has been accounted for by the Parent Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

iii) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis of indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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 Group's 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.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

iv) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associate and joint ventures are accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

b) Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss includes the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

v) Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or

b) it is held primarily for the purpose of being traded; or

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Group'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 Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

vi) Foreign Currency Translation

a) Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

b) Initial recognition

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

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 transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).

e) Translation of a foreign operation

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.

The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (1 April 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items which are already expressed in the functional currency of the Parent and no further translation differences occur.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

vii) Derivative financial instruments

Initial recognition and subsequent measurement

The Group 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 remeasured 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 statement of profit and loss.

viii) Fair value measurement

The Group 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 Group.

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 Group 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 Consolidated 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 Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing 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 Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement such as assets held for sale in discontinued 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 Group's accounting policies. For this analysis, the

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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 Group'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 Group 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.

ix) Non-current assets classified as held for sale

The Group classifies non-current assets classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance cost and income tax expenses. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

x) Property, plant and equipment

On transition to Ind AS i.e. 1 April 2015, the Group has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non-refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing PPE beyond its previously assessed standard of performance. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group 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.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

xi) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (d)) below is calculated using the straight-line basis using the rates arrived at, based on the useful lives estimated by the management. For this purpose, a major portion of the plant has been considered as continuous process plant. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Group has used the following rates to provide depreciation on its property, plant and equipment which are equal to the rates specified in Schedule II to Companies Act, 2013.

	Useful lives estimated by the management (years)
Factory buildings	30 years
Other buildings (RCC structures)	60 years
Other buildings (other than RCC structures)	30 years
Plant and equipment (Continuous process plant)	25 years
Plant and equipment (Others)	15 years
Furniture and fixtures	10 years
Roads and Culverts	3 to 30 years
Office equipment	3 to 6 years
Vehicles	8 and 10 years
Railway Siding	15 years

(a) In case of the Group Company, the useful lives of components of certain plant and equipment are estimated as 5 to 20 years. These lives are lower than those indicated in Schedule II.

(b) In case of the Parent Company, the management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets -

i. The useful lives of certain plant and equipment having net block of INR 174.16 lakhs are estimated as 30 to 40 years. These lives are higher than those indicated in Schedule II.

ii. The useful lives of certain buildings having net block of INR 450.56 lakhs are estimated as 15 years. These lives are lower than those indicated in Schedule II.

(c) Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.

(d) Property, plant and equipment whose value is less than INR 5,000/- are depreciated fully in the year of purchase.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if any.

xii) Intangible Assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The following are the acquired intangible assets:

Software

Management of the Group assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight line basis.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

All expenses incurred on research and development activities are expensed as incurred by the Group since these do not meet the recognition criteria as listed above.

Goodwill (pursuant to the scheme of amalgamation)

Goodwill, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with the Parent Company, has got merged

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

with the Parent Company. ***Pursuant to business transfer agreement (BTA) executed on 31 March 2020 between the Parent Company and Zuari FarmHub Limited (ZFL), said goodwill has been transferred to ZFL.***

xiii) Investment Property

The Group has elected to continue with the carrying value for all of its investment property as recognized in its previous GAAP Consolidated Financial Statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

xiv) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

xv) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 3 to 30 years
- Building 2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

During the year ended 31 March 2020, The Group applies, for the first time, Ind AS 116 Leases retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The nature and effect of these changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in April 2019, but do not have an impact on the Consolidated Financial Statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not be retrospectively adjusted. The Group elected to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group also elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

a. Nature of the effect of adoption of Ind AS 116

The Group has lease contracts for various guest house, retail outlets and land. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

xvi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or 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 or 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 Group commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instrument's at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

Investments in subsidiaries are subsequently measured at cost.

For the purposes of subsequent measurement of other equity instruments classification is made into below two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments other than investments in subsidiaries are measured at fair value. The Group may make an irrevocable election to present in other

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comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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 Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Parent 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 Group assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Group 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 Group 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 Group categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial assets are first recognized, the Group recognizes an allowance based on 12 months ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial assets has been reclassified from Stage 2.

Stage 2: When a financial assets has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the financial assets has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group'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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xvii) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

xviii) Dividend to equity holders of the Parent Company

The Group recognises a liability to make dividend distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xix) Inventories

Inventories are valued at the lower of Cost and Net Realisable Value.

The Cost is determined as follows:

a. Raw materials and Store and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.
b. Finished goods and work-in-progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Moving weighted average method.
c. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving weighted average method.

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.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

xx) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xxi) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in paragraph 2.B.

Sale of goods

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 15 to 120 days upon delivery.

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Revenue from sale of goods, including concession in respect of Urea, DAP, MOP and Complex Fertilizers receivable from the Government of India under the New Pricing Scheme/ Concession Scheme, is recognized when the significant risk and rewards of ownership of the goods have passed to the customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Concessions in respect of Urea as notified under the New Pricing Scheme is recognized with adjustments for escalation/de–escalation in the prices of inputs and other adjustments as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Uniform freight subsidy on Urea, Complex fertilisers, Imported DAP and MOP has been accounted for in accordance with the parameters and notified rates.

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory) is also recognised for the right to recover products from a customer.

(b) Volume rebates

The Group provides volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

ii) Significant financing component

Occasionally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph xvi) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

As per Ind AS 115 and the Educational Material of Ind AS 115, sales tax/VAT is not received by the entity on its own account, it is tax collected on value added to the commodity by the seller on behalf of the Government, therefore, it is excluded from revenue. From 1 July 2017, the GST regime has been introduced, revenue is being recognised net of GST.

Insurance claims

Insurance claims and receivable on account of interest from dealers on delayed payment are accounted for to the extent the Group is reasonably certain of their ultimate collection.

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 Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend is recognized when the shareholders' right to receive payment is established by the balance sheet date.

xxii) Retirement and other employee benefits

a) Provident Fund

Retirement benefits in the form of Provident Fund in respect of fertilizer unit in Goa of the Parent Company is a defined benefit obligation and is provided on the basis of actuarial valuation of projected unit credit method made 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. Any excess of plan assets over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Retirement benefits in the form of Provident Fund in case of a subsidiary and other units of the Parent Company is a defined contribution scheme. The Group recognizes contribution payable to the fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Superannuation and Contributory Pension Fund

The Parent Company has approved Superannuation Fund and Contributory Pension Fund whereas

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one subsidiary company have only approved Superannuation Fund, which are defined contribution schemes. Retirement benefit in the form of Superannuation Fund and Contributory Pension Fund are defined contribution scheme. The Group has no obligation, other than the contribution payable to the Superannuation Fund and Contributory Pension Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Group recognizes contribution payable to the Superannuation Fund and Contributory Pension Fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

c) Gratuity

Retirement benefit in the form of gratuity is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Parent Company and a subsidiary have taken insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

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 remeasurement 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 and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

d) Post-Retirement Medical Benefit

In respect of the Parent Company post-retirement medical benefit is a defined benefit obligation which is provided for based on actuarial valuation on projected unit credit method made at the end of each financial year. Remeasurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit & loss.

e) Leave Encashment

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurement, comprising of actuarial gains and losses, are recognised in the period in which they occur, directly in statement of profit and loss.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

f) Pension Fund

In respect of the Parent Company, retirement benefit in the form of family pension fund and National Pension Scheme are defined contribution scheme. The Parent Company has no obligation, other than the contribution payable to the pension fund. The Parent Company recognizes contribution payable to the pension fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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.

g) Voluntary Retirement Scheme

Compensation to employees under the voluntary retirement scheme of the Parent Company is computed on the basis of number of employees exercising the retirement option under the scheme.

h) Short term employee benefits

All employee benefits payable/available within twelve months of rendering of service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

xxiii) Taxes

Current Income Tax and Deferred 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax 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 is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In case of subsidiary Company, minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss a current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable the subsidiary company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the subsidiary company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The subsidiary company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Goods and Service Tax (GST)/Sales/value added taxes paid on acquisition of assets or on incurring expenses

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xxiv) 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 Parent 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 Parent Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

xxv) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

xxvi) Provisions

A provision is recognized when the Group 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In case of seeds division, the Parent Company makes an estimation of probable sales return out of the sales booked during the financial year, considering the terms and condition of the sale and past tendency of such sales return. A provision is made for loss on account of such estimated sales return which is approximate to the amount of profit originally booked on such sale

xxvii) 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 Group 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.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated 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.

a) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) Defined benefit plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 33.

c) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and coverage by deposits or others instruments).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 39.

d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39 for further disclosures.

e) 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.

f) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

g) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimating variable consideration for returns and volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

h) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

i) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.C. Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after April 01, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs, which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102 - Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 COVID-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

(v) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

This amendment had no impact on the financial statements of the Group.

2.D. Standards issued but not yet effective

There are no standards or amendments issued on or before 31 March 2022 but not yet effective, which may have any material impact on the Consolidated Financial Statements of the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

3A. Property, plant and equipment

(INR in lakhs)

	Freehold land (Refer Note 45B and Note i below)	Leasehold land (Refer Note ii below)	Buildings	Railway siding	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work- in-progress
Cost										
As at 1 April 2020	**64,154.57**	**-**	**14,066.85**	**1,092.63**	**1,17,353.91**	**1,611.28**	**1,923.69**	**1,248.75**	**201,451.68**	**17,133.39**
Additions	-	-	146.42	29.94	4,861.22	46.66	19.70	-	5,103.94	7,534.56
Borrowing costs	-	-	-	-	13.00	-	-	-	13.00	770.43
Assets classified as held for sale (Refer Note 10)	0.15	-	-	-	-	-	-	-	0.15	-
Disposals	-	-	1.39	-	1,519.11	165.82	61.03	136.93	1,884.28	4,721.07
Discontinued operations (Refer Note 29)	30.96	-	2,633.17	542.54	51,529.84	252.45	1,061.03	472.19	56,522.18	12,891.14
As at 31 March 2021	**64,123.46**	**-**	**11,578.71**	**580.03**	**69,179.18**	**1,239.67**	**821.33**	**639.63**	**1,48,162.01**	**7,826.17**
Additions	3,327.59	-	116.82	157.31	2,748.67	186.66	170.10	22.36	6,729.51	27,129.13
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale (Refer Note 10)	0.20	-	-	-	-	-	-	-	0.20	-
Disposals	-	-	-	11.02	909.46	-	1.59	46.37	968.44	2,949.25
Discontinued operations (Refer Note 29)	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**67,450.85**	**-**	**11,695.53**	**726.32**	**71,018.39**	**1,426.33**	**989.84**	**615.62**	**1,53,922.88**	**32,006.05**
Depreciation and Impairment										
As at 1 April 2020	**-**	**-**	**2,243.32**	**413.15**	**32,189.63**	**703.47**	**1,092.51**	**560.89**	**37,202.97**	**367.17**
Charge for the year*	-	-	452.20	74.29	8,111.80	137.96	239.62	163.91	9,179.78	**-**
Disposals	-	-	1.24	-	1,275.44	59.56	61.27	103.79	1,501.30	-
Discontinued operations (Refer Note 29)	-	-	236.06	217.24	18,461.47	170.65	657.04	220.10	19,962.56	367.17
As at 31 March 2021	**-**	**-**	**2,458.22**	**270.20**	**20,564.52**	**611.22**	**613.82**	**400.91**	**24,918.89**	**-**
Charge for the year*	-	-	355.80	61.88	4,775.79	103.37	84.82	95.99	5,477.64	-
Disposals	-	-	-	10.27	355.02	-	1.01	30.37	396.67	-
Discontinued operations (Refer Note 29)	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**-**	**-**	**2,814.02**	**321.81**	**24,985.29**	**714.59**	**697.63**	**466.53**	**29,999.86**	**-**
Net book value										
As at 31 March 2022	**67,450.85**	**-**	**8,881.51**	**404.51**	**46,033.10**	**711.74**	**292.21**	**149.09**	**1,23,923.02**	**32,006.05**
As at 31 March 2021	**64,123.46**	**-**	**9,120.49**	**309.83**	**48,614.66**	**628.45**	**207.51**	**238.72**	**1,23,243.14**	**7,826.17**
As at 1 April 2020	**64,154.57**	**-**	**11,823.53**	**679.48**	**85,164.28**	**907.81**	**831.18**	**687.86**	**1,64,248.71**	**16,766.22**

*includes INR Nil (31 March 2021 : INR 3,827.73 lakhs) related to discontinued operations (Refer Note 29).

For Property, plant and equipment existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value of the assets as deemed costs.

3B. Right of use assets

(INR in lakhs)

	Right to use building	Right to use land (Refer Note ii below)	Total
Cost			
As at 1 April 2020	**6,803.29**	**3,975.88**	**10,779.17**
Additions	426.33	-	426.33
Disposals	20.43	-	20.43
Discontinued operations (Refer Note 29)	-	1,103.15	1,103.15
As at 31 March 2021	**7,209.19**	**2,872.73**	**10,081.92**
Additions	768.03	-	768.03
Disposals	1,013.25	-	1,013.25
Discontinued operations (Refer Note 29)	415.31	-	415.31
As at 31 March 2022	**6,548.66**	**2,872.73**	**9,421.39**

	Right to use building	Right to use land (Refer Note ii below)	Total
Depreciation and impairment			
As at 1 April 2020	**848.95**	**192.95**	**1,041.90**
Charge for the year*	928.89	163.39	1,092.28
Disposals	6.87	-	6.87
Discontinued operations (Refer Note 29)	-	128.15	128.15
As at 31 March 2021	**1,770.97**	**228.19**	**1,999.16**
Charge for the year*	817.58	101.38	918.96
Disposals	329.79	-	329.79
Discontinued operations (Refer Note 29)	139.89	-	139.89
As at 31 March 2022	**2,118.87**	**329.57**	**2,448.44**
Net book value			
As at 31 March 2022	**4,429.79**	**2,543.16**	**6,972.95**
As at 31 March 2021	**5,438.22**	**2,644.54**	**8,082.76**
As at 1 April 2020	**5,954.34**	**3,782.93**	**9,737.27**

i. This includes freehold land of INR 6,817.79 lakhs (31 March 2022 : INR 6,817.79 lakhs) in respect of a subsidiary company acquired by the Parent Company in a past business combination. The said land is fair valued as per the principles of Ind AS 103 and an addition of INR 57,246.18 lakhs, on account of fair valuation, was booked in the year of acquisition of the subsidiary as a part of purchase price allocation.

ii. This includes, in respect of Parent Company, land of INR 396.00 lakhs (31 March 2021 : INR 396.00 lakhs) wherein lease cum sale agreement is for a year of 10 years. Lesser shall sell the property at the end of the lease year or extended year, if any.

iii. Assets pledged as security for borrowings: Refer Note 14 for information on property, plant and equipment pledged as security against borrowings.

iv. Building includes self constructed building with net book value of INR 4,153.91 lakhs (31 March 2021 : INR 4,034.45 lakhs) on leasehold land.

v. Contractual obligations: Refer to Note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

vi. Capitalised Expenditure

Borrowing Costs

Plant and equipment include INR (31 March 2021 : INR 13.00 lakhs) towards borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (31 March 2021 : 9.16%), which is the effective interest rate of the specific borrowing.

(INR in lakhs)

	31 March 2022	31 March 2021
Balance brought down	1,683.23	2,600.95
Interest expenses	-	770.43
Sub-Total	**1,683.23**	**3,371.38**
Less: Allocated to Property, plant and equipment	-	13.00
Less : Transferred to discontinued operations (Refer Note 29)	-	1,675.15
Balance carried over (included in Capital work-in-progress)	**1,683.23**	**1,683.23**

vii. Capital work-in-progress

In case of the Parent Company, Capital work-in-progress comprises of expenditure for revamping of ammonia urea plant and other plant and machinery in the course of construction, which has been transferred to discontinued operations (Refer Note 29). In case of a Subsidiary Company, it comprises of expenditure in respect of energy saving project.

viii. Capital work-in-progress ageing (Refer Note 29 Discontinued Operations)

As at 31 March 2022

(INR in lakhs)

CWIP	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project work-in-progress	24,510.30	3,592.61	1,023.06	2,759.88	**31,885.85**
Projects temporarily suspended	-	3.54	73.16	43.50	**120.20**
Total	**24,510.30**	**3,596.15**	**1,096.22**	**2,803.38**	**32,006.05**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

As at 31 March 2021 (INR in lakhs)

CWIP	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project work-in-progress	3,876.12	1,025.40	895.23	1,909.22	**7,705.97**
Projects temporarily suspended	3.54	73.16	33.67	9.83	**120.20**
Total	**3,879.66**	**1,098.56**	**928.90**	**1,919.05**	**7,826.17**

ix. In case of Parent Company, Title deeds of Immovable Properties not held in name of the Parent Company

Particulars	Description	Gross Carrying Value	Title deed in the name of	Whether title deed holder is promoter, director or relative	Date of property held	Reason for not held in the name of company
Freehold Land	Land	23.08	Communidade of GOA/Jagdish Chowgule/Jose Robello	NO	2011-12	Mutation is In process

4. Investment property

	(INR in lakhs)
Opening balance at 1 April 2020	**362.29**
Additions (subsequent expenditure)	**-**
Closing balance at 31 March 2021	**362.29**
Additions (subsequent expenditure)	-
Closing balance at 31 March 2022	**362.29**
Depreciation	
Opening balance at 1 April 2020	-
Depreciation for the year	-
Closing balance at 31 March 2021	**-**
Depreciation for the year	-
Closing balance at 31 March 2022	**-**
Net book value	
As at 31 March 2022	**362.29**
As at 31 March 2021	**362.29**
As at 1 April 2020	**362.29**

For investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Parent Company has used Indian GAAP carrying value of the assets as deemed costs.

(INR in lakhs)

Information regarding income and expenditure of Investment property	31 March 2022	31 March 2021
Rental income derived from investment properties	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that generating rental income	Nil	Nil
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income	Nil	Nil
Profit arising from investment properties before depreciation and indirect expenses	Nil	Nil
Less – Depreciation	Nil	Nil
Profit arising from investment properties before indirect expenses	Nil	Nil

Investment property consist of freehold land owned by the Parent Company.

The Parent Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Parent Company considers information from a variety of sources including :

1. Current prices in an active market of properties of different nature or recent prices of similar properties in less active market adjusted to reflect those differences.
2. Discounted cash flow projections based on reliable estimates of future cash flows.
3. Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

As at 31 March 2022 and 31 March 2021, the fair values of the investment properties are INR 446.40 lakhs and INR 521.00 lakhs respectively. These valuations are based on valuations performed by an accredited independent valuer, who is specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation is done based on current prices in active market of properties of different nature.

Details of key inputs used in the valuation of investment properties are as below:

Property description: Land situated in the Pannagudi & Karaikal Village, Tamil Nadu

Significant unobservable Inputs	Inputs	Inputs
	31 March 2022	**31 March 2021**
Land area	24.8 acre	24.8 acre
Prevailing market rate (per acre)	INR 18 lakhs/acre	INR 18 lakhs/acre
Guidelines rates obtained from register office	INR 2.68 lakhs/acre	INR 2.68 lakhs/acre
Assessed/adopted rate for valuation	INR 18.00 lakhs/acre	INR 21.00 lakhs/acre

Reconciliation of fair value:	(INR in lakhs)
Opening balance as at 1 April 2020	**409.00**
Fair value difference	112.00
Purchases	-
Closing balance as at 31 March 2021	**521.00**
Fair value difference	(74.60)
Purchases	-
Closing balance as at 31 March 2022	**446.40**

The Parent Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

5. Intangible Assets

(INR in lakhs)

	Software	Goodwill (Pursuant to the scheme of amalgamation)*	Goodwill (Pursuant to the scheme of amalgamation)**	Trademark^	Total	Intangible assets under development
Cost						
As at 1 April 2020	**979.84**	**403.60**	**1,533.53**	**11,405.00**	**14,321.97**	**-**
Additions	78.29	40.00	-	-	118.29	66.06
Disposals	193.15	-	-	-	193.15	62.52
Discontinued operations (Refer Note 29)	477.74	-	-	-	477.74	3.54
As at 31 March 2021	**387.24**	**443.60**	**1,533.53**	**11,405.00**	**13,769.37**	**-**
Additions	30.59	-	-	-	30.59	-
Disposals	-	-	-	-	-	-
Discontinued operations (Refer Note 29)	-	-	-	-	-	-
As at 31 March 2022	**417.83**	**443.60**	**1,533.53**	**11,405.00**	**13,799.96**	**-**
Amortization						
As at 1 April 2020	**628.38**	**403.60**	**-**	**1,389.71**	**2,421.69**	**-**
Charge for the year*	146.14	8.42	-	285.13	439.69	-
Disposals	193.15	-	-	-	193.15	-
Discontinued operations (Refer Note 29)	344.54	-	-	-	344.54	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(INR in lakhs)

	Software	Goodwill (Pursuant to the scheme of amalgamation)*	Goodwill (Pursuant to the scheme of amalgamation)**	Trademark^	Total	Intangible assets under development
As at 31 March 2021	**236.83**	**412.02**	**-**	**1,674.84**	**2,323.69**	**-**
Charge for the year*	67.61	-	-	285.13	352.75	-
Disposals	-	-	-	-	-	-
Discontinued operations (Refer Note 29)	-	-	-	-	-	-
As at 31 March 2022	**304.44**	**412.02**	**-**	**1,959.97**	**2,676.44**	**-**
Net book value						
As at 31 March 2022	**113.39**	**31.58**	**1,533.53**	**9,445.03**	**11,123.52**	**-**
As at 31 March 2021	**150.41**	**31.58**	**1,533.53**	**9,730.16**	**11,445.68**	**-**
As at 1 April 2020	**351.46**	**-**	**1,533.53**	**10,015.29**	**11,900.28**	**-**

*amortisation for the year includes INR Nil (31 March 2021 : INR 87.69 lakhs) related to discontinued operations (Refer Note 29).

For Intangible assets existing as on 1 April 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value of the assets as deemed costs

**Goodwill, which arose pursuant to the scheme of amalgamation of Zuari Speciality Fertilisers Limited (ZSFL) with the Parent Company. Pursuant to business transfer agreement (BTA) executed on 31 March 2021 between the Parent Company and Zuari Farmhub Limited (ZFL), said goodwill has been transferred to ZFL in previous year (Refer Note 52).

Software and intangible asset under development consists of cost of ERP licenses and development cost.

^Trademark represents acquisition date fair value of brand in one of the subsidiary of the Group.

6. Investment in joint ventures

(INR in lakhs)

	Non-current			
	31 March 2022		31 March 2021	
Investments in unquoted equity instruments				
Investment in joint ventures				
17,98,16,228 (31 March 2021 : 17,98,16,228) Equity shares of INR 10/- each fully paid-up of Zuari Maroc Phosphates Private Limited	92,439.34		83,737.00	
Add: Share of OCI for the year	(38.84)		28.49	
Add: Share of profit for the year	16,028.65	1,08,429.15	8,673.85	92,439.34
Total		**1,08,429.15**		**92,439.34**

7. Financial assets
7A. Investments

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Investments in equity instruments carried at fair value through other comprehensive income (FVTOCI)				
Quoted equity instruments				
1,11,40,632 (31 March 2021 : 3,22,67,741) Equity shares of INR 1/- each fully paid-up of Nagarjuna Fertilisers and Chemicals Limited	1,442.71	2,029.64	-	-
Unquoted equity instruments				
1,44,000 (31 March 2021 : 1,44,000) Equity shares of INR 10/- each fully paid-up of Indian Potash Limited (Refer Note (a) below)	2,764.80	692.64	-	-

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Investments in unquoted preference shares				
Investments at fair value through profit or loss				
Bangalore Beverages Limited (2,00,000 (31 March 2021 : 2,00,000) redeemable cumulative preference shares of INR 1/- each with coupon rate of 10% p.a. repayable after 20 years) (Refer Note 49)	20,000.00	20,000.00	-	-
Less:- Provision for diminution in the value of investment	(20,000.00)	(20,000.00)	-	-
Investment in mutual fund				
22.199 units (31 March 2021 : 22.199 units) of Aditya Birla Sun Life Low Duration Fund - Growth-Regular Plan	-	-	0.10	0.10
2,895.812 units (31 March 2021 : Nil) of ICICI Prudential 8089/ Floating Interest Fund - DP Growth Fund	10.44	-	-	-
Total	**4,217.95**	**2,722.28**	**0.10**	**0.10**
Aggregate value of quoted investments	1,442.71	2,029.64	0.10	0.10
Aggregate value of unquoted investments	2,775.24	692.64	-	-
Total	**4,217.95**	**2,722.28**	**0.10**	**0.10**
Aggregate amount of impairment in value of investments (Refer Note 49)	20,000.00	20,000.00	-	-
Market Value of quoted Investments	**1,442.71**	**2,029.64**	**0.10**	**0.10**

(a) The management has assessed fair value of the investment in unquoted shares of Indian Potash Limited based on valuation report of an independent valuer. For detail of method and assumptions used for the valuation, Refer Note 37.

(b) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as fair value through other comprehensive income (FVTOCI) as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding. The Group has not transferred any gain or loss within equity in the current or previous year.

Refer Note 37 for determination of their fair values.

7B. Loans

(INR in lakhs)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other loans and advances				
Secured, considered good				
Loans to employees	1.90	0.22	-	0.32
Unsecured, considered good				
Loans to employees	-	0.10	-	0.27
Interest accrued on loans to employees	1.95	1.96	-	0.50
Credit impaired				
Inter corporate deposits (Refer Note i below)	-	-	-	568.13
Interest accrued on inter corporate deposits (Refer Note i below)	-	-	-	233.49
Less: Inter corporate deposits and interest thereon - credit impaired	-	-	-	(801.62)
Total	**3.85**	**2.28**	**-**	**1.09**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Assets pledged as security for borrowings: Refer Note 14 for information on loans pledged as security against borrowing.

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group and are measured at amortised cost. The carrying value may be affected by changes in the credit risk of the counterparties.

i. While confirming the balance due from McDowell's Holdings Limited (MHL), aggregating to INR 2,332.97 lakhs, they have sought to adjust a sum of INR 939.43 lakhs said to be due to them from one of the subsidiaries i.e. Mangalore Chemicals and Fertilisers Limited (MCFL). During the year ended 31 March 2018, the Parent Company has made a provision for the net recoverable amount from MHL of INR 1,393.54 lakhs and has charged off the same to the statement of profit and loss as exceptional items. During the year ended March 2019, the Parent Company had received INR 939.43 lakhs from MCFL. The Parent Company has filed an application under the insolvency and bankruptcy code before NCLT at Bangalore against MHL for recovery of the remaining principal amount along with the interest. MHL has filed its objections to the petition. In the meantime and pending the outcome of the petition, MHL has approached the Parent Company to settle the pending dispute. During the year ended 31 March 2021 , a settlement agreement dated 17 June 2019 was entered into between the Parent Company, MHL and MCFL. Vide this settlement agreement, MHL has given the shareholding rights of 1,185,151 shares of MCFL for INR 590.92 lakhs to the Parent Company against the amount outstanding as part settlement. Accordingly, the Parent Company had recognised an income of INR 590.92 lakhs in the year ended 31 March 2020 . Pursuant to the settlement agreement, the application before the NCLT has been withdrawn. During the year ended 31 March 2021 , MHL has requested for extension of time to clear the outstanding along with interest and the Parent Company has agreed to extend the period for further six months. Vide this extension request, MHL has paid INR 1.00 lakh to the Parent Company against the amount outstanding. During the year ended 31 March 2022, the Parent Company has received INR 1,370.76 lakhs towards full and final settlement as per agreement dated 17 June 2019 between the Parent Company and and Mcdowell's Holding limited(MHL) which has been recognised as other income.

7C. Other financial assets

(INR in lakhs)

	Non current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	-	14.83	43.23	24.76
Other financial assets (Unsecured, considered good)				
Security deposits				
Unsecured, considered good				
- with others	1,021.00	912.90	-	10.30
Non-current bank balances	13.39	8.75	-	-
Receivables from Gas Pool Operator	-	-	-	1,472.70
Rebate/discount receivable from suppliers	-	-	1,377.77	420.83
Interest receivable from customers				
- from others	-	-	59.86	100.71
Interest receivable on bank deposits			75.42	113.91
Packing scheme incentive grant receivable (Refer Note 53)	33.70	33.70	57.41	57.41
Other financial assets (Unsecured, credit impaired)				
Accrued service income	-	-	74.28	74.28
Less: Credit impaired	-	-	(74.28)	(74.28)
Total	**1,068.09**	**970.18**	**1,613.69**	**2,200.62**

Assets pledged as Security for borrowings: Refer Note 14 for information on financial assets pledged as security against borrowing.

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Break up of financial assets carried at amortised cost

(INR in lakhs)

	Non current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Loans (Refer Note 7B)	3.85	915.18	-	11.39
Trade receivables (Refer Note 11)	-	-	63,350.94	45,392.77
Cash and cash equivalents (Refer Note 12A)	-	-	56,551.26	42,732.30
Other bank balances (Refer Note 12B)	-	-	13,922.72	18,160.93
Other financial assets (Refer Note 7C)	1,068.09	57.28	1,613.69	2,190.32
Total financial assets carried at amortised cost	**1,071.94**	**972.46**	**135,438.61**	**108,487.71**

8. Other assets

(INR in lakhs)

	Non current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Unsecured, considered good, except where otherwise stated				
Capital advances				
- to related parties (Refer Note 35 and Note 46)	183.23	3,496.57	-	-
- to others (Refer Note (a) below)	1,541.31	8,353.29	-	-
Advances (other than capital advances)				
- related parties, considered good (Refer Note 35 and Note 47)	-	-	81.00	81.00
- others, considered good	-	5.71	933.84	1,944.13
- others, considered doubtful (Refer Note 49)	4,880.59	4,880.59	-	18.76
	4,880.59	**4,886.30**	**1,014.84**	**2,043.90**
Less: provision for doubtful advances	(4,880.59)	(4,880.59)	-	(18.76)
	-	**5.71**	**1,014.84**	**2,025.14**
Balances with statutory authorities				
- considered good	-	-	4,555.10	4,873.01
- considered doubtful	-	-	1,192.26	1,192.26
	-	**-**	**5,747.36**	**6,065.27**
Less: Balances with statutory authorities-considered doubtful	-	-	(1,192.26)	(1,192.26)
	-	**-**	**4,555.10**	**4,873.01**
Advance to employees	-	-	31.39	16.03
Refund receivable Goods and Service Tax (Refer Note (a) and (b) below)	-	-	2,442.30	1,706.47
Prepaid expenses	354.90	461.78	1,837.79	1,388.01
	354.90	**461.78**	**4,311.48**	**3,110.51**
Total	**2,079.44**	**12,317.35**	**9,881.42**	**10,008.66**

Assets pledged as security for borrowings: Refer Note 14 for information on other assets pledged as security against borrowing.

(a) The Parent Company had given an advance of INR 4,029.44 lakhs in June 2010 to Karnataka Industrial Area Development Board (KIADB) for allotment of land for setting up of 1.20 Million TPA urea plant in Belgaum district. KIADB failed to acquire the

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

land and after continuous discussion with KIADB for two years, the Parent Company had come out of the project. KIADB had refunded INR 3,425.02 lakhs and retained INR 604.42 lakhs which was to be adjusted in case the Parent Company seek some other land in Karnataka. Based on the details of land subsequently provided by the KIADB, the Parent Company has requested to allot 12 acres land at Belapu industrial estate and adjust the retained amount by KIADB to the cost of the new land. However, KIADB has not yet agreed for the adjustment. Management had filed the writ petition in the Hon'ble High Court of Karnataka at Bengaluru against the State of Karnataka - Industries and Commerce Department and KIADB for not allotting land to the Parent Company for setting up Fertilizer Project in Belapu Industrial Area, Udupi District, Karnataka and illegally withholding a sum of INR 604.42 lakhs. The Hon'ble High Court vide judgement dated 16 September 2019 disposed of the matter and directed the KIADB to consider the application of the Parent Company for the allotment of Land within a period of six weeks from the date of receipt of certified copy of order. Pursuant to the court order, the Parent Company issued a letter to KIADB requesting them to allot alternate land. KIADB vide their order dated 18 November 2019 has refused to adjust the forfeited amount against allotment of land in Belapu. Subsequently, the Parent Company has filed a writ petition with Hon'ble High Court of Karnataka at Bangalore on 10 February 2020 challenging the KIADB order dated 18 November 2019. The Petition was listed for hearing on 23 September 2021. After hearing our counsels brieflly on the matter, the Hon'ble court directed for the matter to be listed after two weeks for admission. The matter has not been listed till date.

Based on previous judgement and legal opinion obtained by the management for this matter, the management is hopeful to get the above amount adjusted against allotment of land or refund of the same.

(b) In case of Parent Company, Vide notification number 26/ 2018 dated 13 June 2018, the Government has amended the definition of "Net Input Tax Credit (ITC)" for the purpose of GST refund on account of inverted duty structure with effect from 1 July 2017 to include ITC availed only on inputs which excludes input services. The management has contested this amendment (both retrospective and prospective) at different levels of authorities including but not limited to filing a writ petition in the Hon'ble High Court of Bombay at Goa in this regard. Basis legal view obtained, the management believes that the refund/utilisation in respect of tax paid on input services would be available and that no liability including interest, if any, would arise from the same. Consequently, the Parent Company has carried forward an amount of INR 9,816.49 lakhs (31 March 2021: INR 9,797.66 lakhs) as amount recoverable towards this matter. The balance pertaining to fertilizer plant at Goa has been transferred as part of discontinue operations (Refer Note 29).

9. Inventories (valued at lower of cost and net realisable value)

(INR in lakhs)

	31 March 2022	31 March 2021
Raw materials [includes material in transit: INR 7,847.92 lakhs (31 March 2021 : INR 2,304.28 lakhs)]	22,381.59	8,932.64
Work-in-progress	274.44	135.02
Finished goods	18,452.59	3,933.60
Traded goods [includes material in transit: INR 320.88 lakhs and] (31 March 2021 : includes material in transit: INR 35.58 lakhs]	5,233.70	5,285.72
Stores and spares [includes material in transit: INR 92.87 lakhs (31 March 2021 : INR 40.14 lakhs)]	4,045.72	3,869.04
Total	**50,388.04**	**22,156.02**

During the year ended 31 March 2022 : INR 119.37 lakhs (31 March 2021 : INR 33.83 lakhs) was recognised as an expense for inventories carried at net realisable value.

Assets pledged as security for borrowings: Refer Note 14 for information on inventories pledged as security against borrowing.

10. Assets held for sale/liabilities directly associated with the assets held for sale

(INR in lakhs)

	31 March 2022	31 March 2021
(a) Assets held for sale		
- Land at Sancoale Goa (Refer Note i below)	0.20	0.15
- Discontinued Operations (Refer Note 29)	131,881.16	129,266.34
	131,881.36	**129,266.49**
(b) Liabilities directly associated with discontinued operations		
- Discontinued Operations (Refer Note 29)	185,559.74	224,911.57
Total	**185,559.74**	**224,911.57**

ia. During the previous year ended 31 March 2021, the Company had executed agreement for sale of land at Sancoale, Goa on 29 June 2020. This transaction is under execution, which is expected to be executed within 12 months. Accordingly, the said land has been classified from property, plant and equipment to Assets classified as held for sale.

ib. During the year ended 31 March 2022, the Company had executed two agreement for sale of land at Sancoale , Goa on 31 August 2021 and 5 January 2022. The sale of the asset is expected to be executed within 12 months. Accordingly, the said land has been classified from property, plant and equipment to Assets classified as held for sale.

Assets classified as held for sale during the reporting period are measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets were determined using the market approach.

11. Trade receivables (at amortized cost)

(INR in lakhs)

	31 March 2022	31 March 2021
Trade receivables - related parties (Refer Note 35)	-	-
Trade receivables - others	63,350.94	45,392.77
Total	**63,350.94**	**45,392.77**

Break-up for security details: **(INR in lakhs)**

	31 March 2022	31 March 2021
Trade Receivables		
Secured, considered good	4,311.66	2,164.82
Unsecured, considered good [including subsidy receivable from government of INR 1,09,345.71 lakhs (31 March 2021 : INR 64,513.95 lakhs), transferred to discontinued operations INR 50,807.69 lakhs (31 March 2021 : INR 32,056.00 lakhs)]	59,039.28	43,227.95
Trade receivables- credit impaired	3,688.60	3,934.65
Total	**67,039.54**	**49,327.42**
Less : Trade receivables- credit impaired	(3,688.60)	(3,934.65)
Total	**63,350.94**	**45,392.77**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, other than those mentioned in Note 47. 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.

For terms and conditions relating to related party receivables, refer Note 35.

Trade receivables from dealers are non-interest bearing during the normal credit years and are generally on terms of 15 to 120 days.

Assets pledged as Security for borrowings: Refer Note 14 for information on trade receivables pledged as security against borrowing.

Trade receivables ageing as at 31 March 2022 (INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed trade receivables - Considered good	60,160.30	70.90	751.61	22.24	-	61,005.05
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	3,120.49	3,120.49
(iv) Disputed trade receivables - Considered good	-	-	2,914.00	-	-	2,914.00
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-
Total	**60,160.30**	**70.90**	**3,665.61**	**22.24**	**3,120.49**	**67,039.54**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Trade receivables ageing as at 31 March 2021 (INR in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed trade receivables - Considered good	42,705.28	355.97	315.29	1,085.53	-	44,462.07
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	1,951.35	1,951.35
(iv) Disputed trade receivables - Considered good	-	2,914.00	-	-	-	2,914.00
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-
Total	**42,705.28**	**3,269.97**	**315.29**	**1,085.53**	**1,951.35**	**49,327.42**

12A. Cash and cash equivalents

(INR in lakhs)

	31 March 2022	31 March 2021
Balances with banks:		
- on current accounts	11,229.27	6,177.74
- on cash credit accounts	316.05	3,327.24
- Deposits with original maturity of less than 3 months	45,002.61	33,225.62
Cash on hand	3.33	1.70
Total	**56,551.26**	**42,732.30**

12B. Other bank balances

(INR in lakhs)

	31 March 2022	31 March 2021
Other Bank Balances :		
- on Unpaid dividend accounts (repatriation restricted)*	127.97	158.11
Deposits with original maturity for more than 3 months but less than 12 months	2,000.00	3,400.00
Margin money deposits**	11,794.75	14,602.82
Total	**13,922.72**	**18,160.93**

* The Group can utilise these balances only towards settlement of the respective unpaid dividend.

** Margin money deposits are provided as margin for letter of credits and as interest service coverage reserve for long term borrowings. The same are restricted for use till settlement of corresponding liability.

13. Share capital

(INR in lakhs)

	31 March 2022	31 March 2021
Authorised share capital		
12,25,00,000 (31 March 2021 : 12,25,00,000) Equity Shares of INR 10/- each	12,250.00	12,250.00
3,45,00,000 (31 March 2021 : 3,45,00,000) Preference Shares of INR 10/- each	3,450.00	3,450.00
	15,700.00	**15,700.00**
Issued and subscribed share capital*		
4,20,58,006 (31 March 2021 : 4,20,58,006) Equity Shares of INR 10/- each fully paid	**4,205.80**	**4,205.80**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

a. Reconciliation of shares outstanding at the beginning and end of the reporting year

(INR in lakhs)

Equity shares	31 March 2022		31 March 2021	
	In Numbers	INR in lakhs	In Numbers	INR in lakhs
At the beginning of the year	42,058,006	4,205.80	42,058,006	4,205.80
Issued during the year	-	-	-	-
Outstanding at the end of the year	**42,058,006**	**4,205.80**	**42,058,006**	**4,205.80**

b. Terms/Rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of INR 10 per share. Each share holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of equity shares of INR 10 each fully paid up held by promoters as at:

(INR in lakhs)

Promoter Name	As at 01 April 2021	Changes during the year	As at 31 March 2022	% of Total Shares	% change during the year
Promoters					
Zuari Global Limited	8,411,601	-	8,411,601	20.00	-
Zuari Management Services Limited	5,078,909	-	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	-	3,000,125	7.13	-
Globalware Trading And Holding Limited	7,491,750	-	7,491,750	17.81	-
Promoter Group		-		-	
Adventz Finance Private Limited *	1,424,201	23,100	1,447,301	3.44	1.62
New Eros Tradecom Limited	1,196,767	-	1,196,767	2.85	-
Jeewan Jyoti Medical Society	138,550	-	138,550	0.33	-
Duke Commerce Limited	111,000	-	111,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Adventz Investment Company Private Limited *	15,000	(15,000)	-	-	(100.00)
Ricon Commerce Ltd.*	8,100	(8,100)	-	-	(100.00)
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	150,000	-	150,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	150,585	-	150,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
Total	**27,356,419**	**-**	**27,356,419**	**65.04**	**-**

* The Hon'ble National Company Law Tribunal, Kolkata bench, vide its order dated 30th November, 2021 (obtained on 27th December, 2021) approved the scheme of amalgamation amongst Adventz Investment Company Private Limited (AICPL), Sanghashree Investment & Trading Company Limited and Ricon Commerce Limited (RCL) with Adventz Finance Private Limited (AFPL). The scheme was filed with Registrar of Companies, West Bengal and made effective as on 21st January, 2022. Pursuant to the Scheme, on the Effective Date, 15,000 and 8,100 equity shares of Zuari Agro Chemicals Limited ("Company") held by AICPL and RCL respectively vested into AFPL.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Details of equity shares of INR 10 each fully paid up held by promoters as at:

(INR in lakhs)

Promoter Name	As at 01 April 2020	Changes during the year	As at 31 March 2021	% of Total Shares	% change during the year
Promoters					
Zuari Global Limited	8,411,601	-	8,411,601	20.00	-
Zuari Management Services Limited	5,078,909	-	5,078,909	12.08	-
Texmaco Infrastructure & Holdings Limited	3,000,125	-	3,000,125	7.13	-
Globalware Trading And Holding Limited	7,491,750	-	7,491,750	17.81	-
Promoter Group					
Adventz Finance Private Limited	1,424,201	-	1,424,201	3.39	-
New Eros Tradecom Limited	1,196,767	-	1,196,767	2.85	-
Jeewan Jyoti Medical Society	138,550	-	138,550	0.33	-
Duke Commerce Limited	111,000	-	111,000	0.26	-
Adventz Securities Enterprises Limited	98,804	-	98,804	0.23	-
Adventz Investment Company Private Limited	15,000	-	15,000	0.04	-
Ricon Commerce Ltd.	8,100	-	8,100	0.02	-
Saroj Kumar Poddar as Trustee of Saroj and Jyoti Poddar Holdings Private Trust	150,000	-	150,000	0.36	-
Saroj Kumar Poddar	29,406	-	29,406	0.07	-
Jyotsna Poddar	21,621	-	21,621	0.05	-
Akshay Poddar	150,585	-	150,585	0.36	-
Basant Kumar Birla	30,000	-	30,000	0.07	-
Total	**27,356,419**	**-**	**27,356,419**	**65.04**	**-**

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

Name of shareholder	31 March 2022		
	No. of shares held	% Holding in class	% change during the period
Zuari Global Limited	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

Name of shareholder	31 March 2021		
	No. of shares held	% Holding in class	% change during the period
Zuari Global Limited	84,11,601.00	20.00	-
Globalware Trading and Holdings Limited	74,91,750.00	17.81	-
Zuari Management Services Limited	50,78,909.00	12.08	-
Texmaco Infrastructure & Holdings Limited	30,00,125.00	7.13	-

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.

*Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") between the Company (Zuari Agro Chemicals Limited) and Zuari Global Limited, the Company had issued 2,94,40,604 equity shares of INR 10/- each aggregating to INR 2,944.06 lakhs to the existing shareholders of Zuari Global Limited in the ratio of 1 fully paid up Equity share of INR 10/- each of Zuari Agro Chemicals Limited during the financial year ending 31 March 2013. Out of the above shares issued pursuant to the Scheme, 8,051 (31 March 2021: 8,051) Equity Shares entitlements have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 in accordance with instructions from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992 and in respect of shareholders who could not exercise their rights in view of disputes, mistakes, discrepancy in holdings, etc.

No shares has been issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

13A. Other equity

(INR in lakhs)

	31 March 2022	31 March 2021
Business Restructuring Reserve		
Balance as per last financial statements	65,404.84	65,404.84
Add: Received during the year	-	-
Closing balance	**65,404.84**	**65,404.84**
Capital Reserve		
Balance as per the last financial statements	57,927.16	57,927.16
Add: Amount transferred on consolidation (Refer Note below)	-	-
Closing balance	**57,927.16**	**57,927.16**
General Reserve		
Balance as per last financial statements	6,150.00	6,150.00
Add: Received during the year	-	-
Closing balance	**6,150.00**	**6,150.00**
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(1,11,263.34)	(95,662.95)
Adjustment on Reclassification of Joint Venture to financial assets	-	-
Profit/(Loss) for the year	13,043.35	(15,709.38)
Other comprehensive gain/(loss)	(34.55)	108.99
Net (Deficit) in the statement of profit and loss	**(98,254.54)**	**(1,11,263.34)**
Foreign Currency Translation Reserve		
Balance as per last financial statements	29.47	21.99
Adjustment on Reclassification of Joint Venture to financial assets	-	-
Add: Movement during the year	(6.29)	7.48
Closing balance	**23.18**	**29.47**
Equity instruments through Other Comprehensive Income		
Balance as per last financial statements	(2,834.69)	(3,927.98)
Add: Movement during the year	4,079.21	1,093.29
Closing balance	**1,244.52**	**(2,834.69)**
Total reserves and surplus	**32,495.16**	**15,413.44**

Nature and purpose of reserves

Business Restructuring Reserve

In the finance year 2012-13, Pursuant to the Scheme of Arrangement and Demerger ("The Scheme") between Zuari Industries Limited (now known as Zuari Global Limited) and Zuari Holdings Limited (now known as Zuari Agro Chemicals Limited) the Parent Company, approved by the Hon'ble High Court of Bombay at Goa, on 2 March 2012, all the assets and liabilities pertaining to fertilizer undertaking as on 1 July 2011 of Zuari Industries Limited (now known Zuari Global Limited) had been transferred to the Parent Company at their book values and accordingly the surplus of assets over the liabilities of the fertiliser undertaking so demerged, resulted in creation of Business Restructuring Reserve of INR 65,404.84 lakhs in terms of the Order of the Hon'ble High Court of Bombay at Goa which was filled with the Registrar of Company on 21 March 2012. The said reserve be treated as free reserve and be restricted and not utilised for declaration of dividend by the Parent Company.

Capital Reserve

Capital reserve includes INR 35,300.77 lakhs as excess of parent company's share in joint venture entity viz. Zuari Maroc Phosphates Private Limited over its investment on date of transition to Ind AS. Also, includes INR 22,366.74 lakhs as bargain purchase on acquisition of subsidiary.

During the year ended 31 March 2020, capital reserve of INR 259.65 lakhs was created, pursuant to a settlement agreement dated 17 June 2019 which was entered into between Parent Company, McDowells Holdings Limited (MHL) and Mangalore Chemicals and Fertilisers Limited (MCFL),

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

on account of part settlement of dues receivable by Parent Company from MHL. As per the terms of the aforesaid agreement, MHL has transferred its share holding rights of 11,85,151 equity shares of MCFL (subsidiary company), in favour of the Parent Company, accordingly the share holding of Parent Company has increased by 1% in shareholding in MCFL.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Surplus/(Deficit) in the statement of profit and loss

Surplus in the statement of profit and loss represents the profits/(losses) generated by the Group that are not distributed to the shareholder and are re-invested in the Group.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

13B. Components of other comprehensive income (OCI):

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2022 (INR in lakhs)

	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Surplus / (deficit) in the statement of profit and loss	Non controlling interest
Re-measurement gain on defined benefit plans	-	-	(0.40)	(14.32)
Income tax effect	-	-	4.69	5.00
Net income on equity instruments through other comprehensive income	-	4,079.21	-	-
Income tax effect		-		
Share of OCI of joint ventures (net of tax)	-	-	(38.84)	-
Exchange differences on translation of foreign operations	(6.29)	-	-	-
	(6.29)	**4,079.21**	**(34.55)**	**(9.32)**

During the year ended 31 March 2021 (INR in lakhs)

	Foreign Currency Translation Reserve	Equity instruments through Other Comprehensive Income	Surplus / (deficit) in the statement of profit and loss	Non controlling interest
Re-measurement gain/(loss) on defined benefit plans	-	-	95.23	35.86
Income tax effect	-	-	(14.73)	(12.53)
Net (loss) on equity instruments through other comprehensive income	-	1,093.29	-	-
Income tax effect		-		
Share of OCI of joint ventures (net of tax)	-	-	28.49	-
Exchange differences on translation of foreign operations	7.48	-	-	-
	7.48	**1,093.29**	**108.99**	**23.33**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

14A. Borrowings

(INR in lakhs)

Non-current borrowings (at amortised cost)	31 March 2022	31 March 2021
Term Loans		
From Banks		
Secured		
Indian Rupee loans (Refer Note 1 below)**	28,271.75	26,339.57
Foreign currency loans (Refer Note 2 below)	-	1,092.45
Vehicle loans (Refer Note 3 below)	3.16	50.14
Unsecured		
Foreign Currency loans (Refer Note 14B(e))	332.97	676.56
From financial Institutions		
Secured		
Indian Rupee loans (Refer Note 4 below)	14,865.53	24,272.64
Non Convertible Debentures (Refer Note 6 below)	9,000.00	-
From Others		
Unsecured		
Lease liabilities (Refer Note 7 below)	7,278.65	7,855.71
Intercorporate Deposits (Refer Note 5 below and Note 35)	39,350.00	39,440.37
Total	**99,102.06**	**99,727.44**
Less: Amount disclosed under "Short Term Borrowings"		
- Current maturities of long term borrowings (Refer Note 14B)	(41,158.28)	(39,749.23)
- Current maturities of lease liabilities (Refer Note 14B)	(595.89)	(533.33)
Total	**57,347.89**	**59,444.88**

1. (a) In case of Parent Company, Indian Rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 3,353.51 lakhs (including current maturities of INR 3,353.51 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.) The loan is repayable in 15 equal quarterly installments starting from November 2019 with the last installment due on May 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

   (b) In case of Parent Company, Indian Rupee term loan from a Bank of INR Nil lakhs (including current maturities of INR Nil) [31 March 2021: INR 1,437.08 lakhs (including current maturities of INR 1,437.08 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly installments starting from December 2019 with the last installment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

   (c) In case of Parent Company, Indian rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 658.62 lakhs (including current maturities of INR 658.62 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly installments starting from December 2019 with the last installment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

   (d) In case of Parent Company, Indian rupee term loan from a Bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 2,335.04 lakhs (including current maturities of INR 2,335.04 lakhs)] carries interest rate ranging from 6.45% p.a. - 7.07% p.a. (31 March 2021: 6.45% p.a. - 8.80% p.a.). The loan is repayable in 15 equal quarterly installments starting from January 2020 with the last installment due on June 2023. The loan was repaid in full in the month of March 2022. The loan was secured by first charge on the immovable properties of continued and discontinued operations situated at Goa over survey number 111/1, 128/7, 132/7, 133/1, 149/1, 162/1, 164/1, 167/1 and 168/1 ranking pari passu with the other loan lenders and any other security available to the other working capital term loan lenders.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(e) In case of a subsidiary, Term loan from a bank of INR 3,988.61 Lakhs (including current maturities of INR 1,996.37 Lakhs) [March 31, 2021: INR 5,974.18 Lakhs (including current maturities of INR 1,993.38 Lakhs)] carries interest in the range of 8.00% p.a. to 11.10% p.a. [March 31, 2021 :11.10% p.a. to 11.50% p.a.] The loan is repayable in 20 equal quarterly installments starting from June 2019 with the last installment due on March 2024. The loan is secured by first pari-pasu charge on all movable and immovable fixed assets (alongwith working capital lenders), other than fixed assets exclusively charged to other lenders.

(f) In case of a subsidiary, Term loan from a bank of INR 5,921.78 Lakhs (including current maturities of INR 3,196.08 Lakhs) [March 31, 2021: INR 9,106.77 Lakhs (including current maturities of INR 3,192.58 Lakhs)] carries interest in the range of 6.26% p.a. to 6.96% p.a. [March 31, 2021 : 6.06% p.a. to 7.08% p.a.] The loan is repayable in 15 quarterly installments starting from December 2019 with the last installment due on February 2024. The loan is secured by first pari-passu first charge over all movable and immovable fixed assets including plant and machinery of the Company (excluding assets exclusively charged to other banks) and first pari-passu with any other security provided to any other lenders including working capital lenders.

(g) In case of a subsidiary, Term loan from a bank of INR 2,486.83 Lakhs (including current maturities of INR 996.31 Lakhs) [March 31, 2021: INR 3,474.37 Lakhs (including current maturities of INR 994.09 Lakhs)] carries interest in the range of 9.30% p.a. to 9.35% p.a. [March 31, 2021 : 9.35% p.a. to 10.20% p.a.] The loan is repayable in 20 quarterly installments starting from June 2019 with the last installment due on March 2024. The loan is secured by first pari-pasu charge on all movable and immovable fixed assets, both present and future (other than fixed assets exclusively charged to other lenders) and second pari-passu charge on all current assets, both present and future.

(h) In case of a subsidiary, Term loan from a bank of INR Nil Lakhs (including current maturities of INR Nil Lakhs) [March 31, 2021: INR 1,092.45 Lakhs (including current maturities of INR 1,092.45 Lakhs)] carried interest of 2.60% p.a. [March 31, 2021 : 2.60% p.a.] The loan is repayable in 14 equal installments starting from April 2015 with the last installment due on October 2021. The loan is secured by hypothecation of assets purchased out of said loan and guarantee issued by Finnvera, the state owned export credit agency of Finland.

(i) In case of subsidiary, Term loan from a bank of INR 5,316.21 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 9.95% p.a. [March 31, 2021 : Nil% p.a.] The loan is repayable in 28 quarterly installments starting from September 2023 with the last installment due on June 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

(j) In case of subsidiary,Term loan from a bank of INR 3,408.12 Lakhs (including current maturities of INR 267.86 Lakhs) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 10.00% p.a. [March 31, 2021 : Nil% p.a.] The loan is repayable in 28 quarterly installments starting from March 2023 with the last installment due on December 2029. The loan is secured by first pari-passu first charge on all fixed assets to be created out of the proposed EIP project, with other participating lenders and first pari passu charge over all movable and immovable fixed assets of the Company excluding the fixed assets charged specifically to the term lenders.

(k) In case of subsidiary,Term loan from a bank of INR 3,242.40 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 9.50% p.a. [March 31, 2021 : Nil% p.a.] The loan is repayable in 28 quarterly installments starting from January 2024 with the last installment due on October 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari passu charge over movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

(l) In case of subsidiary,Term loan from a bank of INR 3,907.80 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 8.65% p.a. [March 31, 2021 : Nil% p.a.] The loan is repayable in 18 quarterly installments starting from August 2023 with the last installment due on November 2027. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

2. In case of subsidiary, Term loan from a bank of INR Nil (including current maturities of INR Nil) [31 March 2021: INR 1,092.45 Lakhs (including current maturities of INR 1,092.45 Lakhs)] carried interest of 2.60% p.a. [31 March 2021 : 2.60% p.a.] The loan is repayable in 14 equal installments starting from April 2015 with the last installment due on October 2021. The loan is secured by hypothecation of assets purchased out of said loan and guarantee issued by Finnvera, the state owned export credit agency of Finland.

3. (a) In case of Parent Company, Vehicle loans from a Bank of INR 11.51 lakhs (including current maturities: INR 11.51 lakhs) [31 March 2021: INR 76.33 lakhs (including current maturities: INR 69.25 lakhs)] carry interest rate ranging from 8.38% p.a. - 10.65% p.a. (31 March 2021: 8.38% p.a. - 10.65% p.a.). The loans are repayable in 48 equal monthly installments starting from February 2017 with the last installment due on April 2023. The loans are secured by way of hypothecation of respective motor vehicles of the Company. This loan has been transferred as part of business transfer agreement (BTA) (Refer Note 29).

   (b) In case of subsidiary, Vehicle loans from a bank of INR 3.16 Lakhs (including current maturities of INR 3.16 Lakhs) [March 31, 2021: INR 34.43 Lakhs (including current maturities of INR 31.27 Lakhs)] carry interest at 8.36% p.a. [March 31, 2021 : 8.36% p.a.] The loan is repayable in 30 to 48 monthly installments starting from October 2017 with the last installment due on June 2022 and is secured by first pari-passu charge on fixed assets financed by the said term loans.

4. (a) In case of Parent Company, Indian rupee loan of INR 7,679.18 lakhs from a financial institution (including current maturities of INR 7,679.18 lakhs) [31 March 2021: INR 13,817.37 lakhs from a financial institution (including current maturities of INR 13,817.37 lakhs)] carries interest

rate of ranging from 11.70% - 11.90% p.a. (31 March 2021: 11.70% p.a.). The loan is repayable in 12 equal quarterly installments starting from May 2020 with the last installment due on May 2023. The loan is secured by first pari passu charge by way of equitable mortgage of specific immovable assets of the Company with a minimum fixed asset cover of 1.25 times (unencumbered land parcel at Goa), pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 1.00 time.

(b) * In case of Parent Company, Indian rupee term loan from a financial institution of INR 7,186.35 lakhs (including current maturities of INR 7,186.35 lakhs) (31 March 2021: INR 10,455.27 lakhs (including current maturities of INR 10,455.27 lakhs) carries interest rate of 12.00% p.a. (31 March 2021: 12.00% p.a. - 15.00% p.a.). The loan is repayable in 16 equal quarterly installments starting from December 2019 with the last installment due on September 2023. The loan is secured by exclusive charge over land (including structures) with minimum cover of 1.5 times and demand promissory note.

5. In case of Parent Company, Inter-corporate deposit of INR 39,350.00 lakhs (31 March 2021: INR 39,350.00 lakhs) carries interest rate of 15.00% (31 March 2021: 15.00% p.a). The loan is repayable after 36 months from the date of disbursement.

   **Due to breach of covenant, non-current portion of long term loans from bank is classified as current in the financial statement and disclosed under current maturity of long term borrowing under other financial liabilities following the principles of Ind AS 1 "Presentation of Financial Statements" and the terms of the loans payable were not renegotiated, before the financial statements were approved for issue.

6. In case of Parent Company, Non-Convertible Debentures of INR 9,000 Lakhs (including current maturities of INR Nil) [31 March 2021: INR Nil (including current maturity of INR Nil)] carries coupon rate of 11.50% p.a. are secured by exclusive charge by way of mortgage of specific immovable assets of the Company with a minimum value of assets to be INR 5,000 Lakhs (unencumbered land parcel at Goa), pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2.00 time. The debentures are redeemable in 4 equal quarterly installments starting from June 2024 with the last installment due in February 2025.

7. In respect of Group, set out below are the carrying amounts of lease liabilities and the movements during the year:

(INR in lakhs)

	31 March 2022	31 March 2021
Opening	**7,855.71**	9,410.84
Additions	768.03	1.89
Disposal	(815.22)	(4.19)
Accretion of interest	807.73	369.87
Payments	(1,337.60)	(504.79)
Transferred to discontinued operations (Refer Note 29)	-	(1,417.91)
Closing	**7,278.65**	**7,855.71**
Current	595.89	533.33
Non-current	6,682.76	7,322.38

The maturity analysis of lease liabilities are disclosed in Note 39.

The effective interest rate for lease liabilities is 10% - 10.70%, with maturity between 2021-2048.

14B. Borrowing

(INR in lakhs)

Current Borrowings	31 March 2022	31 March 2021
Secured*		
From Banks		
Cash credit (including working capital demand loans)		
(The rate of interest on cash credit varies between banks ranging from 10.25% - 16.45% p.a. (31 March 2021: 10.70% - 16.85% p.a.) and are repayable on demand. The rate of interest on working capital demand loans varies between 11.05% - 16.45% p.a. (31 March 2021: 8.75% - 14.85% p.a) and are repayable over a period of 30 to 365 days)	34,546.18	694.96
Buyers/ Suppliers credit		
(The rate of Interest on buyers/ suppliers credit varies between 0.32% to 0.94% p.a (31 March 2021 : 0.87% to 3.45% p.a) and are repayable over a year of 69 - 298 days) (USD 63.54 million) (31 March 2021 : USD 53.50 million)	48,157.89	39,116.43
Bills discounted		
(Local bills discounted with banks repayable over a year of 180 days at the rate varies between 4.40% - 10.00% p.a.(31 March 2021 : 4.50% - 11.69% p.a) against Letter of Credit issued by another bank having securities as disclosed below)	65,024.39	24,961.90
Current maturities of long term loans (Refer Note 14A)	40,825.31	39,410.25

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(INR in lakhs)

Current Borrowings	31 March 2022	31 March 2021
From Financial Institutions		
Short term loans (Refer Note (c) below)	-	3,500.00
Unsecured		
From banks		
Others - short term loan (Refer Note (d) below)	2,671.44	1,098.32
Current maturities of long term loan (Refer Note 14A & e below)	332.97	338.98
From Others		
Inter corporate deposits		
(The rate of interest is 9.25% - 14.00% p.a. (31 March 2021 : 9.25% - 14.00% p.a.) and is repayable over a period of 180 - 365 days)	14,810.00	16,000.00
Current Maturity of Lease liabilities (Refer Note 14A)	595.89	533.33
Total	**206,964.07**	**125,654.17**

Below disclosures includes loans transferred to discontinued operations (Refer Note 29 & 55)

*(a) In respect of the Parent Company, Cash credit (including working capital demand loans) of INR 34,546.18 lakhs (31 March 2021: INR 62,578.27 lakhs), Suppliers credit of Nil (31 March 2021: INR 2,530.13 lakhs) and Bill discounting of INR 10,300.00 lakhs (31 March 2021: INR 7,500.00 lakhs) are secured by the first charge by way of hypothecation on the current assets (excluding assets against which specific loans have been availed), both present and future, wherever situated pertaining to the fertilizer division of the Company and the Company's fertilizer division's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets excluding some subsidy receivable amount exclusively charged to certain banks and first pari-passu charge by way of mortgage on specific land parcels situated at Zuarinagar, Goa.

(b) In respect of a subsidiary, buyers credit facilities of INR 24,271.77 lakhs (31 March 2021 : 13,921.92 lakhs), suppliers credit of INR 23,886.12 lakhs (31 March 2021 : 25,194.51 lakhs), bill discounting of INR 54,724.39 lakhs (31 March 2021 : INR 24,961.90 lakhs), cash credit (including demand loans) of INR Nil lakhs (31 March 2021: INR 58.63 lakhs) are secured by first pari-passu charge on all current assets (both present and future) and property, plant and equipment of the Subsidiary Company, excluding assets which are exclusively charged to other lenders.

(c) In respect of the Parent Company, Short term loan of INR Nil (31 March 2021: INR 3,500.00 lakhs) carries interest rate of 16.25% p.a. (31 March 2021: 16.25% p.a). The loan was repaid in full in the month of February 2022. The loan was secured by pledge of shares of its subsidiary, Mangalore Chemicals and Fertilisers Limited ("MCFL"), with a minimum share security cover of 2.25 times.

(d) In respect of a subsidiary, a purchase card facility of INR 2,671.44 lakhs (31 March 2021 : INR 1,098.32 lakhs) has been availed from a Bank. The facility carries interest in the range of 7.50% - 8.50% p.a. (31 March 2021 : 7.99% – 9.28% p.a) and repayable over a maturity period of 45 to 120 days.

(e) In case of a subsidiary, Term loan from a bank of INR 332.97 Lakhs (including current maturities of INR 332.97 Lakhs) [March 31, 2021: INR 676.56 Lakhs (including current maturities of INR 338.98 Lakhs)] carries fixed interest of 1.4% p.a. [March 31, 2021 : 11.80% p.a.] The loan is repayable in 14 equal installments starting from August 2016 with the last installment due on February 2023. The loan is secured by guarantee issued by Eksport Kredit Fonden plc (EKF), the state owned export credit agency of Denmark.

15. Trade payables

(INR in lakhs)

	Non current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Trade payables				
- Outstanding dues to related parties (Refer Note 35)	-	-	4,012.02	859.99
- Outstanding dues to micro and small enterprises (Refer Note 31)	-	-	1,057.85	1,267.62
- Outstanding dues to others	-	-	53,646.78	38,706.87
Total	**-**	**-**	**58,716.65**	**40,834.48**

Trade payables ageing schedule as at 31 March 2022:

(INR in lakhs)

Particulars	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	1,057.18	-	-	-	1,057.18
(ii) Others	53,728.48	1,214.22	488.24	2,228.42	57,659.36
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**54,785.66**	**1,214.22**	**488.24**	**2,228.42**	**58,716.54**

Trade payables ageing schedule as at 31 March 2021:

Particulars	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	1,266.94	-	0.16	0.52	1,267.62
(ii) Others	38,808.31	26.21	616.27	116.07	39,566.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**40,075.25**	**26.21**	**616.43**	**116.59**	**40,834.48**

16. Other financial liabilities

(INR in lakhs)

	Non current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward covers	15.14	100.76	498.94	1,073.34
Total financial liabilities at fair value through profit or loss (a)	**15.14**	**100.76**	**498.94**	**1,073.34**
Other financial liabilities at amortised cost				
Trade deposits - dealers and others				
-from others	-	-	6,357.80	5,223.61
Other deposits (earnest money)	-	-	600.00	600.00
Employee benefits payable	-	-	1,699.33	1,599.96
Payable towards capital goods	-	-		
- to others	-	-	4,567.93	1,898.72
Gas pool operator payable	-	-	3,117.05	-
Interest accrued but not due on borrowings	-	-	1,601.33	2,785.57
Other interest payable*	-	-	-	8.52
Unclaimed dividends	-	-	127.97	158.10
Payable towards voluntary retirement scheme	-	-	-	8.43
Other dues	-	-	846.74	657.82
Total other financial liabilities at amortised cost (b)	**-**	**-**	**18,918.15**	**12,940.73**
Total other financial liabilities (a+b)	**15.14**	**100.76**	**19,417.09**	**14,014.07**

* - Including INR Nil (31 March 2021 : INR Nil) outstanding due to Micro and Small Enterprises (Refer Note 31).
- Includes INR Nil (31 March 2021 : INR Nil) payable to related party on account of overdue interest (Refer Note 35).

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Foreign exchange forward contracts

While the Group entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities, Refer Note 39
For terms and conditions relating to related party payables, Refer Note 35.

For explanations on the Group's credit risk management processes, Refer Note 39.

Break up of financial liabilities carried at amortised cost

(INR in lakhs)

	Non current		Current	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
Non current borrowings (Refer Note 14A)	57,347.89	59,444.88	-	-
Current borrowings (Refer Note 14B)	-	-	206,964.07	125,654.17
Trade payables (Refer Note 15)	-	-	58,716.65	40,834.48
Other financial liabilities (Refer Note 16)	15.14	100.76	19,417.09	14,014.07
Total financial liabilities carried at amortised cost	**57,363.03**	**59,545.64**	**285,097.81**	**180,502.72**

17. Other Liabilities

(INR in lakhs)

	Non current		Current	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
Statutory Liabilities	-	-	1,041.18	780.62
Contract Liabilities - Advances received from customers	-	-	2,616.05	1,125.02
Deferred income (Refer Note 53)	34.11	51.17	17.06	17.06
Other advances	-	-	1,025.58	500.00
Total	**34.11**	**51.17**	**4,699.87**	**2,422.70**

Revenue recognized from amounts included in contract liabilities at the beginning of the year is INR 2,524.68 lakhs (31 March 2021 : INR 5,544.19 lakhs) (includes revenue recognized of INR 2,088.14 lakhs (31 March 2021 : INR 2,384.89 lakhs) for discontinued operations (Refer Note 29))

Deferred income (Refer Note 53)

(INR in lakhs)

	31 March 2022	**31 March 2021**
Opening	**68.23**	**211.71**
Deferred during the year	-	-
Released to the statement of profit and loss	(17.06)	(47.40)
Transferred on account of business transfer agreement (Refer Note 29)	-	(96.08)
Closing	**51.17**	**68.23**

18. Provisions

(INR in lakhs)

	Non current		Current	
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
Provision for employee benefits				
Gratuity (Refer Note 33)	1,341.86	1,414.12	232.92	59.82
Provision for post retirement medical benefit (Refer Note 33)	52.97	57.46	6.10	6.38
Leave encashment (unfunded)	318.90	292.27	1,128.91	1,063.48
Total	**1,713.73**	**1,763.85**	**1,367.93**	**1,129.68**

19A. Income Tax

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

Profit or loss section (INR in lakhs)

	31 March 2022	31 March 2021
Current income tax:		
Current income tax charge	2,518.18	1,955.00
Adjustment of tax relating to earlier years	116.17	-
	2,634.35	**1,955.00**
Deferred tax:		
Adjustments in respect of deferred tax of earlier years	-	56.14
Relating to origination and reversal of temporary differences	2,092.10	1,835.07
	2,092.10	**1,891.21**
Income tax expense reported in the statement of profit or loss	**4,726.45**	**3,846.21**

OCI section

Deferred tax related to items recognised in OCI during the year: (INR in lakhs)

	31 March 2022	31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	14.73	(131.09)
Deferred tax charged/(credit) to OCI	(9.70)	27.26
Net (gain)/loss on equity instruments through Other Comprehensive Income	(4,079.21)	(1,093.29)
Deferred tax charged/(credit) to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2022 and 31 March 2021

(INR in lakhs)

	31 March 2022	31 March 2021
Accounting (loss) before Income tax	21,809.18	(8,778.35)
Income tax rate	25.168%	25.168%
At statutory income tax rate	5,488.93	(2,209.33)
Adjustment in respect of tax related to earlier years	(2,732.86)	56.14
Tax impact of Share of profit of joint ventures	(4,034.09)	(2,183.04)
Tax effect of income that are not taxable in determining taxable profit:		
Others Adjustments	-	(4.98)
Impact of profit on non-tax jurisdiction	103.16	83.79
Non-deductible expenses for tax purposes:		
Interest on Micro and Small Enterprises	6.27	10.31
Interest on delayed payment of tax	2.26	-
Impact of change in tax rate for future period*	47.65	0.73
CSR expenditure	48.58	-
Unrecognized deferred tax asset	3,094.59	7,154.19
Effect of higher tax rates in case of a subsidiary company	1,295.92	1,075.82
Others adjustments	1,406.04	(137.41)
Income tax (income)/ expense reported in the statement of profit and loss	**4,726.45**	**3,846.22**
Income tax expense reported in the statement of profit and loss	4,726.45	3,846.21
Income tax attributable to a discontinued operations (Refer Note 29)	-	-
Income tax (income)/ expense reported in the statement of profit and loss	**4,726.45**	**3,846.21**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Deferred tax: (INR in lakhs)

	As at 31 March 2020	Provided during the year	As at 31 March 2021	Provided during the year	As at 31 March 2022
Deferred tax liability:					
Property, plant and equipment impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	16,726.82	(733.34)	15,993.48	(486.87)	15,506.61
Capital gain on slump sales	16,677.67		-	-	-
Others	78.97	(46.77)	32.20	89.21	121.41
Total deferred tax liability (A)	**33,483.46**	**(780.11)**	**16,025.68**	**(397.66)**	**15,628.02**
Deferred tax assets:					
Provision for doubtful debts and advances	2,615.12	116.50	2,731.62	(621.67)	2,109.95
MAT credit entitlement	8,311.60	(2,629.36)	5,682.24	(3,257.72)	2,424.52
Expenses allowable in Income tax on payment basis and deposition of Statutory dues	1,470.38	(128.58)	1,341.80	(134.06)	1,207.74
Brought forward losses and unabsorbed depreciation	21,300.47	(16,677.67)	4,622.80	1,736.68	6,359.48
Impairment of non-current investment	3,695.00	-	3,695.00	5.35	3,700.35
Others	1,962.85	(57.17)	1,905.68	(208.64)	1,697.04
Total deferred tax assets (B)	**39,355.42**	**(19,376.28)**	**19,979.14**	**(2,480.06)**	**17,499.08**
Deferred Tax Asset (B - A)	**5,871.96**	**(18,596.17)**	**3,953.46**	**(2,082.40)**	**1,871.06**
Disclosed in the Financial Statements					
Deferred Tax Assets	6,741.16		6,741.16		6,977.76
Deferred Tax Liabilities	(869.20)		(2,787.70)		(5,106.70)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Parent Company has not created any deferred tax during the year and has continued to recognise deferred tax at INR 6,741.16 lakhs which primarily comprises of INR 6,359.48 lakhs (31 March 2021: INR 4,622.80 lakhs) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management, based on the future profitability projections is confident that there would be sufficient taxable profits/ gains in future which will enable the Company to utilize the above deferred tax assets.

Deferred tax on unabsorbed business losses and unrecognised capital losses including but not limited to indexation of capital assets have not been recognised to the extent there are no tax planning opportunities or other evidence of recoverability for the same in the next future.

Deferred tax on unabsorbed business losses and unrecognised capital losses including but not limited to indexation of capital assets have not been recognised to the extent there are no tax planning opportunities or other evidence of recoverability for the same in the next future.

The temporary differences associated with investments in subsidiaries and joint venture, for which a deferred tax liability has not been recognised. The Group has determined that undistributed profits of its subsidiaries and joint venture will not be distributed in the foreseeable future, until it obtains the consent from the Parent Company and all the joint venture partners respectively.

19B. Income tax assets (net)

(INR in lakhs)

	31 March 2022	31 March 2021
Income tax assets- related parties (Refer Note 35 and Note 46)	522.15	522.15
Income tax assets- others (net)	950.57	594.19
	1,472.72	**1,116.34**

19C. Liabilities for current tax (net)

(INR in lakhs)

	31 March 2022	31 March 2021
Income tax Liabilities- others (net)	838.83	195.28
	838.83	**195.28**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

20. Revenue from operations

(INR in lakhs)

	31 March 2022	31 March 2021
Revenue from contracts with customers		
Sale of products		
Finished products	2,83,958.29	1,80,808.26
Traded products	74,776.05	58,920.33
Other operating revenues		
Rendering of Services	65.78	500.20
Scrap sales	179.71	145.70
Revenue from operations	**3,58,979.83**	**2,40,374.49**

(INR in lakhs)

Timing of revenue recognition	31 March 2022	31 March 2021
Goods transferred to the customers at a point in time	3,57,277.94	2,40,220.92
Service rendered at a point in time	1,701.89	153.57
Total revenue from contracts with customers	**3,58,979.83**	**2,40,374.49**

(INR in lakhs)

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	31 March 2022	31 March 2021
Revenue as per contracted price	**3,61,464.08**	**2,47,100.63**
Adjustments		
Discount	(2,135.71)	(6,395.04)
Others	(348.54)	(331.10)
Revenue from contract with customers	**3,58,979.83**	**2,40,374.49**

Performance obligation (includes disclosure in relation to discontinued operations (Refer Note 29))

The Group recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The performance obligation is satisfied upon delivery of the goods and payment is generally due within 15 to 120 days from delivery.

The Group also recognises the subsidy income receivable from the Government of India as per New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic (P&K) fertilisers at the time of sale of goods to its customers. The Direct Benefit Transfer (DBT) Scheme entails 100% payment of subsidy to the Group on the basis of actual sales by the retailer to the beneficiary, however the performance obligation of the Group is satisfied upon delivery of the goods to its customer.

The Group does not have any other performance obligation in respect of its supply of goods to the customers.

a. (i) Sales of Finished Products and Traded Products include Government subsidies of INR 1,98,762.71 lakhs (31 March 2021 : INR 2,23,084.26 lakhs). Subsidies include INR Nil (31 March 2021 : INR 2,471.93 lakhs) (including INR 1,856.06 lakhs; 31 March 2021 : INR 1,856.06 lakhs, disclosed in Note a (ii) below) in respect of earlier years, notified during the year.

   (ii) A subsidiary recognises Urea concession income from the Government of India (GOI) based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Accordingly, revenue for the year ended March 31, 2021 include additional urea concession income of INR Nil (31 March 2021 : INR 1,856.06 lakhs) relating to immediately proceeding financial year recognised on finalization of escalation/de-escalation claims. The urea concession income for the year ended 31 March 2021 have been recognized based on estimates and are pending finalisation by the GOI.

b. Subsidy for Urea has been accounted based on notified concession price under New Urea Policy, 2015 and other adjustments as estimated in accordance with known policy parameters in this regard. W.e.f 1 October 2020, the Group has accounted Urea subsidy based on the revised energy norms under New Urea Policy 2015.

c. Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification domestic gas is pooled with Re-gasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.

d. The subsidy on Phosphatic and Potassic fertilizers has been accounted for as per concession price notified by the Government of India under Nutrient Based Subsidy Policy, from time to time.

e. In respect of a Subsidiary Company, the subsidiary Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.

f. In respect of a Subsidiary Company, Consequent to reassessment of uncertainity over eventual realization arising due to the order of DoF against the Company (challenged by a writ petition which is pending before DHC), during the year ended March 31, 2021, the Company derecognized subsidy income of INR 2,686 Lakhs relating to higher energy norms which was recognized till December 31, 2020 of fiscal year ended 31 March 2021.

21. Other income

(INR in lakhs)

	31 March 2022	31 March 2021
Interest Income on		
Bank deposits	1,124.43	1,276.92
Overdue debtors, employee loans etc.	648.79	-
Income tax refund	14.76	688.27
Dividend Income on		
Dividend income on non-current investments	5.76	3.60
Other non-operating income		
Profit on sale of property, plant and equipment (net)	-	734.82
Excess provision/unclaimed liabilities/unclaimed balances written back	3,664.78	2,313.46
Incentive under packing scheme incentive (Refer Note 53)	17.05	17.05
Insurance Claims	1.00	31.88
Miscellaneous income	574.85	1,179.14
Total	**6,051.42**	**6,245.14**

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

(INR in lakhs)

	31 March 2022	31 March 2021
In relation to Financial assets classified at amortised cost	1,773.22	1,276.92
Total	**1,773.22**	**1,276.92**

22. Cost of raw materials and components consumed

(INR in lakhs)

	31 March 2022	31 March 2021
Inventory at the beginning of the year	8,932.64	11,400.51
Add : Purchases	209,662.78	108,549.41
	218,595.42	**119,949.92**
Less: Transferred to trading stock	-	-
Less: Inventory at the end of the year	(22,381.59)	(8,932.64)
Cost of raw materials and components consumed	**196,213.83**	**111,017.28**

23. Purchase of traded goods

(INR in lakhs)

	31 March 2022	31 March 2021
Traded goods purchase details		
Imported Muriate of potash (IMOP)	5,534.62	4,111.07
Speciality fertilisers	4,275.87	-
Complex fertilisers	-	5,832.46
Others	44,883.35	31,287.92
Cost of traded goods purchased	**54,693.84**	**41,231.45**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

24. Changes in inventories of finished goods, traded goods and work-in- progress

(INR in lakhs)

	31 March 2022	31 March 2021
Inventories at the end of the year		
Finished goods	18,452.59	3,933.60
Traded goods	5,675.84	5,285.72
Work-in-progress	274.44	135.02
	24,402.87	**9,354.34**
Inventories at the beginning of the year		
Finished goods	3,933.60	6,361.51
Traded goods	5,285.72	5,378.03
Work-in-progress	135.02	83.28
	9,354.34	**11,822.82**
	(15,048.53)	**2,468.48**

25. Employee benefits expense

(INR in lakhs)

	31 March 2022	31 March 2021
Salaries, wages and bonus	9,112.60	8,391.06
Contribution to provident and other funds	738.27	695.57
Post-retirement medical benefit (Refer Note 31)	4.31	4.34
Gratuity expense (Refer Note 31)	237.32	228.19
Staff welfare expenses	393.61	489.98
Total	**10,486.11**	**9,809.13**

26. Finance costs

(INR in lakhs)

	31 March 2022	31 March 2021
Interest expense	15,178.45	17,288.57
Interest on income tax	77.00	106.00
Exchange difference to the extent considered as an adjustment to borrowing cost	836.15	1,098.19
Other borrowing cost	1,171.68	1,551.94
Total	**17,263.28**	**20,044.70**

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

(INR in lakhs)

	31 March 2022	31 March 2021
In relation to Financial liabilities classified at amortised cost	15,178.45	17,288.57
Total	**15,178.45**	**17,288.57**

27. Depreciation and amortization expense

(INR in lakhs)

	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (Refer Note 3A)	6,396.54	6,444.35
Amortisation of intangible assets (Refer Note 5)	352.74	352.00
Total	**6,749.28**	**6,796.35**

28. Other expenses

(INR in lakhs)

	31 March 2022	31 March 2021
Stores and spares consumed	945.13	1,059.47
Power, fuel and water	58,172.19	25,482.41
Bagging and other contracting charges	1,013.84	990.70
Outward freight and handling	14,171.49	12,779.28
Rent	568.08	624.32

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(INR in lakhs)

	31 March 2022	31 March 2021
Lease rentals		
Rates and taxes	484.71	81.58
Insurance	798.34	723.90
Repairs and maintenance		
Plant & machinery	2,475.54	2,895.21
Buildings	161.33	268.77
Others	695.64	667.61
Provision for doubtful receivable/advances	970.23	1,452.49
Bad debts written off	-	1,881.10
Research and development expenses	25.62	32.16
Foreign exchange variation (net)	2,564.00	-
Loss on disposal of property, plant and equipment (net)	548.46	314.04
Donation	-	23.18
CSR expenditure (Refer details below)	193.02	189.46
Advances write-off	73.45	-
Miscellaneous expenses*	5,456.78	5,807.45
Total	**89,317.85**	**55,273.13**
***Payments to statutory auditors (includes disclosure in relation to discontinued operations (Refer Note 29))**		
As statutory auditors		
Audit fees	32.95	81.10
Tax audit fee	4.50	10.00
Limited review fees	23.25	31.50
In other capacity		
Other services (includes certification fees)	80.90	84.00
Reimbursement of expenses	1.14	5.54
Total	**142.74**	**212.14**
CSR Expenditure:		
Gross amount required to be spent by the Group during the year (under Section 135 of the Companies Act, 2013)	152.75	131.67
Amount spent during the year (other than on construction/ acquisition of any asset)	193.02	189.46
Amount spent during the year (on construction/ acquisition of any asset)	-	-
Amount yet to be spent/ paid	-	-
Total	**193.02**	**189.46**

29. Discontinued operations

Pursuant to board approval dated 22 February 2021, the Company entered into a Business Transfer Agreement (BTA) dated 1 March 2021 with Paradeep Phosphates Ltd (PPL), subsidiary of Zuari Maroc Phosphates Private Limited (ZMPPL), a joint venture company (the Company and OCP S.A. hold 50% each of the total equity capital of ZMPPL and ZMPPL holds 80.45% of the share capital of PPL) to transfer its fertilizer plant at Goa and associated businesses as going concern on a slump sale basis for an agreed enterprise value of INR 2,05,225.44 lakhs (converted basis the enterprise value of USD 280 million as per the BTA).

The effect of the transfer will be reflected in the financial information/statements of the period in which the deal is consummated post receipt of all requisite regulatory approvals. Originally, the long stop date as per the BTA was 30 June 2021 further this has been extended upto 30 June 2022 vide second amendment to BTA dated 30 December 2021.

Subsequent to year ended 31 March 2022, PPL has completed Initial Public Offer (IPO) and listed its shares with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on 27 May 2022, with one of the object clause to part financing the acquisition of the Company's fertilizer plant at Goa and associated businesses.

(a) The results of discontinued operations for the year are presented below: (INR in lakhs)

	31 March 2022	31 March 2021
Revenue		
Revenue from operations	251,139.71	216,887.13
Other income	1,009.36	2,610.12
Total income (I)	**252,149.07**	**219,497.25**
Cost of raw material and components consumed	168,340.59	153,481.39
Purchases of traded goods	151.44	129.32
Changes in inventories of finished goods, traded goods and work in progress	4,169.65	2,797.94
Employee benefits expense	7,147.13	6,753.40
Finance costs	10,426.30	19,145.49
Depreciation and amortization expense (Refer Note 3)	-	3,915.42
Other expenses	61,489.02	50,705.60
Total expense (II)	**251,724.13**	**236,928.56**
(Loss) before tax (I-II)	**424.94**	**(17,431.31)**
Tax expense		
Current tax	-	-
Deferred tax charge / (credit)	-	-
Income tax expense/ (credit)	**-**	**-**
(Loss) after tax	**424.94**	**(17,431.31)**

(b) The major classes of assets and liabilities as at 31 March 2022 and 31 March 2021 are as follows: (INR in lakhs)

	March 31, 2022	March 31, 2021
Assets		
Property, plant and equipment and intangible assets (including capital work in progress)	51,679.52	50,187.69
Non-current financial assets	253.07	257.14
Other non-current assets	91.40	66.26
Inventories	11,820.24	22,227.52
Trade receivalbes {Including subsidy of INR 50,807.69 lakhs (31 March 2021: INR 32,056.00 lakhs)}	52,330.67	37,587.08
Other current financial assets	3.03	2,693.16
Other current assets	15,703.23	16,247.49
Assets held for sale (I)	**131,881.16**	**129,266.34**
Liabilities		
Non-current financial liabilites	1,389.34	1,353.35
Other non-current liabilites	35.40	65.74
Current borrowings	76.10	72,608.40
Trade payables	123,889.94	125,834.93
Other current liabilities	58,283.98	23,142.73
Current provisions	1,884.98	1,906.42
Liabilities directly associated with assets held for sale (II)	**185,559.74**	**224,911.57**
Net assets (I-II)	**(53,678.58)**	**(95,645.23)**

(c) The net cash flows are as follows:* (INR in lakhs)

	31 March 2022	31 March 2021
Operating	41,388.80	55,782.23
Investing	(1,104.10)	(1,133.18)
Financing	(40,284.70)	(54,649.05)
Net cash flow	**-**	**-**

* net cash flow is before eliminations.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

30 A. Distributions made and proposed

	31 March 2022	31 March 2021
Cash dividends on equity shares declared and paid:		
Final equity dividends: INR 1 per equity share (31 March 2021 : INR 0.50 per equity share)	544.87	272.43
Dividend distribution tax on equity dividend	-	-
	544.87	**272.43**
Proposed dividends on equity shares:		
Proposed equity dividends: INR 1.20 per equity share (31 March 2021 : INR 1.00 per equity share)	653.84	544.87
Dividend distribution tax on proposed equity dividend	-	-
	653.84	**544.87**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at 31 March.

30B. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit/(Loss) attributable to equity holders of the Parent Company:	31 March 2022	31 March 2021
Continuing operations (INR in lakhs) (a)	12,618.41	1,721.93
Discontinued operations (INR in lakhs) (b)	424.94	(17,431.31)
(Loss) attributable to equity holders of the Parent Company (INR in lakhs) (c=a+b)	13,043.35	(15,709.38)
Weighted average number of shares used in computing earnings per share	4,20,58,006	4,20,58,006
Basic and diluted from continuing operations (in INR)	30.00	4.10
Basic and diluted from discontinued operations (in INR)	1.01	(41.45)
Basic and diluted from continuing and discontinued operations (in INR)	31.01	(37.35)
Face value per share (in INR)	10.00	10.00

31. Dues to Micro, Small and Medium Enterprises#

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

	31 March 2022	31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	1,232.39	1,446.36
- Interest due on above	25.57	41.75
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	346.39	320.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	25.57	40.94

#also includes disclosure in relation to discontinued operation (Refer Note 29)

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

32. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries and joint ventures, listed in the table below:

Name of Subsidiary Company	Country of Incorporation	Ownership Interest (%)	
		31 March 2022	31 March 2021
Mangalore Chemicals and Fertilizers Limited	India	54.03%	54.03%
Zuari Farmhub Limited	India	100.00%	100.00%
Adventz Trading DMCC	United Arab Emirates	100.00%	100.00%

Name of Joint Ventures	Country of Incorporation	Ownership Interest (%)	
		31 March 2022	31 March 2021
Zuari Maroc Phosphates Private Limited (ZMPPL) (including its 80.45% subsidiary - Paradeep Phosphates Limited)	India	50.00%	50.00%

32A. Material partly-owned subsidiary

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	31 March 2022	31 March 2021
Mangalore Chemicals and Fertilisers Limited	India	45.97%	45.97%

Information regarding non-controlling interest (INR in lakhs)

	31 March 2022	31 March 2021
Accumulated balances of material non-controlling interest:	47,743.61	44,258.40
Total Comprehensive Income allocated to material non-controlling interest:	4,030.06	3,108.15
Dividend distributed and paid to non-controlling interest:	544.87	272.43

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended: (INR in lakhs)

	31 March 2022	31 March 2021
Revenue from operations	2,89,558.30	2,14,402.82
Other Income	2,427.06	2,669.96
Cost of raw material and components consumed	1,86,934.66	1,11,017.28
Purchases of traded goods	6,416.91	24,664.27
Change in inventories of finished goods, work-in-progress and traded goods	(13,122.69)	1,311.94
Employee benefit expenses	6,962.64	6,797.58
Finance costs	4,940.42	7,682.92
Depreciation and amortization expense	5,055.75	5,031.22
Other expenses	81,331.66	50,011.51
Profit before tax	**13,466.01**	**10,556.06**
Income tax	4,679.88	3,846.21
Profit for the year	**8,786.13**	**6,709.85**
Other Comprehensive income/(loss) for the year	(20.27)	50.75
Total comprehensive income	**8,765.86**	**6,760.60**
Attributable to non-controlling interests	4,030.06	3,108.15
Dividends paid to non-controlling interests	544.87	272.43

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Summarised balance sheet as at: (INR in lakhs)

	31 March 2022	31 March 2021
Inventories and cash and cash equivalents	91,184.67	53,379.28
Property, plant and equipment, other non-current financial assets and other non-current assets	90,903.30	76,503.06
Trade Receivable, other financial assets and other current assets	89,802.47	69,810.95
Trade and other payable	(61,051.53)	(46,501.15)
Non-current liabilities	(1,149.87)	(1,313.67)
Lease Liabilities	(2,113.75)	(2,134.12)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(1,39,268.30)	(89,018.07)
Total equity	**68,306.99**	**60,726.28**
Attributable to:		
Non-controlling interest *	47,743.61	44,258.40

*Includes impact of fair valuation at the time of acquisition of controlling stake in May 2015.

Summarised cash flow information for the year ended: (INR in lakhs)

	31 March 2022	31 March 2021
Operating	(8,721.45)	96,203.27
Investing	(18,691.19)	(12,062.64)
Financing	40,378.82	(70,199.01)
Net increase in cash and cash equivalents	**12,966.18**	**13,941.62**

32B. Material wholly-owned subsidiary

Name	Country of incorporation and operation	31 March 2022	31 March 2021
Zuari Farmhub Limited	India	100.00%	100.00%

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter - company eliminations.

Summarised statement of profit and loss for the year ended: (INR in lakhs)

	31 March 2022	31 March 2021
Revenue from operations	69,299.00	29,289.41
Other Income	654.17	154.78
Cost of raw material and components consumed	6,305.05	-
Purchases of traded goods	52,235.75	25,128.16
Change in inventories of finished goods, work-in-progress and traded goods	-1,592.64	162.87
Employee benefit expenses	2,812.58	2,088.63
Finance costs	1,065.92	528.30
Depreciation and amortization expense	1,039.28	1,075.58
Other expenses	6,134.66	2,643.21
(Loss) before tax	**1,952.58**	**(2,182.56)**
Income tax	-69.61	-
(Loss) for the year	**2,022.19**	**(2,182.56)**
Other Comprehensive income/(loss) for the year	3.52	-
Total comprehensive (loss)	**2,025.71**	**(2,182.56)**

Summarised balance sheet as at: INR in lakhs

	31 March 2022	31 March 2021
Inventories and cash and cash equivalents	13,508.74	6,063.47
Property, plant and equipment, other non-current financial assets and other non-current assets	11,946.94	12,006.54
Trade Receivable, other financial assets and other current assets	4,995.78	3,093.11
Trade and other payable	(16,877.46)	(9,056.74)
Non-current liabilities	(512.39)	(35,496.88)
Lease Liabilities	(4,614.67)	(5,188.26)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(33,472.22)	(18,558.94)
Total equity	**(25,025.31)**	**(47,137.70)**

Summarised cash flow information for the year ended: INR in lakhs

	31 March 2022	31 March 2021
Operating	(26,913.18)	2,851.85
Investing	(669.13)	(343.45)
Financing	33,433.60	(655.53)
Net increase/(decrease) in cash and cash equivalents	**5,851.29**	**1,852.86**

32C. Interest in Joint Ventures

a) Zuari Maroc Phosphate Private Limited

The Group has a 50% interest in Zuari Maroc Phosphate Private Limited, a joint venture engaged in the business as an investment company and to acquire and hold and otherwise deal in shares, stocks, debentures. The Group's interest in Zuari Maroc Phosphates Private Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at: (INR in lakhs)

	31 March 2022	31 March 2021
Current assets, including cash and cash equivalents: INR 53,794.06 lakhs (31 March 2021 : INR 9,155.54 lakhs)	5,13,993.20	2,94,502.04
Non-current assets, including advance tax: INR 1,243.10 lakhs (31 March 2021 : INR 1,253.62 lakhs)	3,15,557.12	1,84,538.97
Current liabilities	(5,05,354.49)	(2,36,952.14)
Non controlling Interest	(43,494.26)	(35,724.17)
Non-current liabilities, including borrowing: INR 52,817.08 lakhs (31 March 2021 : INR 11,341.13 lakhs)	(64,976.71)	(22,627.40)
Equity	**2,15,724.86**	**1,83,737.30**
Proportion of the Group's ownership	50%	50%
Proportionate value of the Group's ownership	1,07,862.43	91,868.65
Add: DDT liability provided in consolidation	923.82	923.82
Less: Elimination of unrealised profit on closing inventory	(357.10)	(353.13)
Carrying amount of the investment in consolidation	**1,08,429.15**	**92,439.34**
Dividend received	-	-

Summarised statement of profit and loss for the year ended: (INR in lakhs)

	31 March 2022	31 March 2021
Revenue from operations	7,85,871.92	5,16,473.35
Other income	3,954.33	1,957.18
Cost of raw material and components consumed	(5,24,622.29)	(2,26,512.43)
Purchases of traded goods	(1,42,828.18)	(1,38,020.07)
Changes in inventories of finished goods, traded goods and work in progress	39,324.17	(22,583.41)
Depreciation and amortization expense	(9,045.72)	(8,332.81)
Finance costs	(8,554.49)	(11,145.46)
Employee benefits expense	(13,850.44)	(13,919.00)
Other expense	(76,799.07)	(61,232.14)
Profit before share of loss from associate and tax	**53,450.23**	**36,685.20**
Share of Profit/(Loss) from associate	61.12	(19.50)
Profit before tax	**53,511.35**	**36,665.70**
Income tax expense	13,657.15	(14,328.25)
Profit for the year	**39,854.20**	**22,337.45**
Other comprehensive (loss) / income	(96.55)	70.81
Total comprehensive income for the year	**39,757.65**	**22,408.27**
Share of non controlling interest in total comprehensive income	7,770.09	4,378.29
Total comprehensive income	**31,987.56**	**18,029.98**
Proportion of the Group's ownership	50%	50%
Group's share of total comprehensive income for the year before profit elimination	**15,993.78**	**9,014.99**
Less: Elimination of unrealised profit on closing inventory	(3.97)	(312.65)
Group's share of total comprehensive income for the year	**15,989.81**	**8,702.34**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(INR in lakhs)

	31 March 2022	31 March 2021
Contingent Liabilities and Capital Commitments*		
Claims/demand raised by Government Authorities**		
a. Claims/demand raised by Income Tax Authorities	538.73	411.44
b. Claims/demand raised by Sales Tax Authorities	7,990.05	8,075.54
Other Claims against the Company not acknowledged as debts**	5,491.33	5,158.29
Estimated amount of contracts remaining to be executed on capital account not provided for	34,125.49	7,090.18

* Being share of the Group in the Joint Company.

**Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management believes that the Group 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 Group.

33. Gratuity and other post-employment benefit plans

(INR in lakhs)

Particulars	31 March 2022	31 March 2022
- Gratuity Plan- Asset/(Liability)*	(1,573.87)	(1,473.94)
- Provident Fund -Asset**	132.59	117.44
- Post Retirement Medical Benefit Plan - (Liability)	(59.08)	(63.84)
Total	(1,500.36)	(1,420.34)

*In respect of a foreign subsidiary company, defined benefit obligation of INR 46.83 lakhs (31 March 2022 : INR 47.76 lakhs) is not funded.

** Plan assets of INR 132.59 lakhs (31 March 2022 : INR 117.44 lakhs) have not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust. The above includes amount contributed by Zuari Global Limited (related party of the Parent Company).

a) Gratuity

Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement/termination/resignation. The Gratuity plan for the Group is a defined benefit scheme where annual contributions as demanded by the insurer are deposited to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an Insurance policy, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

b) Provident Fund

As per Ind-AS 19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Actuarial valuation of Provident Fund is carried out in accordance with the guidance note issued by Actuary Society of India.

c) Post Retirement Medical Benefit Plan

The Parent Company has a defined benefit post retirement medical benefit plan, for its employees. The Parent Company provides medical benefit to those employees who leave the services of the Parent 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 Parent Company.

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:

Net employee benefits expense (recognized in Employee Cost) for the year: (INR in lakhs)

Particulars	Gratuity	
	31 March 2022	31 March 2021
Current Service Cost	147.59	106.48
Net Interest Cost	115.13	133.14
Return on plan assets	(30.10)	(11.43)
Total	**232.62**	**228.19**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021
Net Interest Cost	4.31	4.34
Total	**4.31**	**4.34**

Amount recognised in other comprehensive income for the year: (INR in lakhs)

Particulars	Gratuity	
	31 March 2022	31 March 2021
Actuarial (gain)/loss		
- change in demographic and financial assumptions	(45.74)	32.78
- experience variance (i.e. Actual experience vs assumptions)	53.12	(167.93)
Return on plan assets (excluding amounts included in net interest expense)	12.05	4.06
Total	**19.43**	**(131.09)**

(INR in lakhs)

Particulars	Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021
Re-measurement (or Actuarial) (gain)/loss arising from :		
- change in demographic assumptions	2.68	-
- change in financial assumptions	(1.52)	0.36
- experience variance (i.e. Actual experiences assumptions)	(10.23)	(4.28)
Total	**(9.07)**	**(3.92)**

Changes in the present value of the defined benefit obligation for the year:

Gratuity: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	**1,938.80**	**3,853.22**
Current service cost	147.59	190.19
Interest cost	115.13	248.72
Re-measurement (or Actuarial) (gain)/loss arising from:	-	
- change in demographic assumptions	-	-
- change in financial assumptions	(1.31)	29.48
- experience variance (i.e. Actual experiences assumptions)	(10.41)	(50.11)
Benefits paid	(493.43)	(740.73)
Net transfer liability in/(out)	-	14.96
Actuarial (gains)/losses on obligation	19.10	(82.07)
Transferred to discontinued operation	-	(1,524.86)
Defined benefit obligation	**1,715.47**	**1,938.80**

Provident Fund: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	**12,446.79**	**13,197.47**
Current service cost	182.74	177.64
Interest cost	803.39	1,054.74
Contributions by Employee/plan participants	464.25	606.83
Benefits Paid out of funds	(1,736.57)	(2,858.99)
Re-measurement (or Actuarial) (gain)/loss arising from :	-	
- experience variance	128.44	108.24
- change in financial assumptions	(65.26)	-
Settlements/transfer in	31.58	160.87
Transferred to discontinued operation	-	-
Defined benefit obligation	**12,255.36**	**12,446.79**

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Post Retirement Medical Benefit Plan: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening defined obligation	63.84	**63.43**
Interest cost	4.31	4.34
Re-measurement (or Actuarial) (gain)/loss arising from :	-	
- change in demographic assumptions	2.68	-
- change in financial assumptions	(1.52)	0.36
- experience variance (i.e. Actual experiences assumptions)	(10.23)	(4.29)
Defined benefit obligation	**59.08**	**63.84**

Changes in the fair value of plan assets for the year ended:

Gratuity: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening fair value of plan assets	**606.41**	**1,915.80**
Interest income	10.74	119.77
Return on plan assets (excluding amounts included in net interest expense) - OCI	30.10	65.29
Contribution by Employer	155.43	608.50
Benefits paid	(493.43)	(762.52)
Actuarial gain/(loss)	(9.61)	(4.68)
Service cost (Transfer in/Out)	-	(6.49)
Transferred to discontinued operations	-	(1,329.26)
Closing fair value of plan assets	**299.64**	**606.41**

The Group expects to contribute INR 514.28 lakhs (31 March 2021 : INR 640.39 lakhs) to gratuity fund in the next financial year.

Provident Fund: (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Opening fair value of plan assets	**12,564.23**	**13,283.42**
Interest income	810.92	1,129.09
Return on plan assets (excluding amounts included in net interest expense) - OCI	158.81	77.39
Employer Contribution	170.96	177.64
Plan participants/Employee contribution	464.25	606.83
Benefits paid	(1,736.57)	(2,858.99)
Settlements /Transfer in	-44.65	148.85
Transferred to discontinued operations	-	-
Closing fair value of plan assets	**12,387.95**	**12,564.23**

The Parent Company expects to Contribute INR 201.01 lakhs (31 March 2021: INR 195.40 lakhs) to provident fund trust in the next financial year.

Gratuity (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Investment with insurer (Life Insurance Corporation of India)	298.70	605.47

Provident Fund (Managed Through Trust) (INR in lakhs)

Particulars	31 March 2022	31 March 2021
Equities and related investments	557.29	436.29
Other Government Securities	5,645.93	6,004.36
Other Debt instruments	3,246.05	2,936.63
Others	2,938.68	3,186.95

The overall expected rate of return is determined based on the market prices prevailing at that date, applicable to the year over which the obligation is to be settled. These rates are change different from the actual rate of return during the current year.

Investment pattern in plan assets:

Particulars	Gratuity		Provident fund	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Funds managed by insurance companies	100%	100%	0%	0%
Funds managed by trust	0%	0%	100%	100%

The principal assumptions used in determining benefit obligation for the Group's plans are shown below:

Particulars	Gratuity		Provident Fund		Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate (in %)	7.25%	6.75%	7.25%	6.75%	7.25%	6.75%
Salary Escalation (in %)	8% for first 2 years and 6.5% thereafter	8% for first 2 years and 6.5% thereafter	-	-	-	-
Mortality rate (Upto Normal Retirement Age)	**100%**	**100%**	**100%**	**100%**	**100% of IALM 2012-14**	**100% of IALM 2012-14**
Mortality rate (Above Normal Retirement Age)	N.A.	N.A.	N.A.	N.A.	90% of LIC 96-98 mod ult.	90% of LIC 96-98 mod ult.
Withdrawal rate (per annum)	1%-3%	1%-3%	1%-3%	1%-3%	-	-

A quantitative sensitivity analysis for significant assumption for the Group is as shown below:

Gratuity Plan (in case of parent company)

Assumptions	31 March 2022		31 March 2022		31 March 2022		31 March 2022	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**
Defined benefit obligation	(3.50)	3.94	3.92	(3.55)	0.05	(0.08)	(0.01)	(0.02)

Assumptions	31 March 2021		31 March 2021		31 March 2021		31 March 2021	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**	**INR in lakhs**
Defined benefit obligation	(3.09)	3.54	3.50	(3.11)	(0.03)	0.02	(0.00)	(0.00)

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Gratuity Plan (in case of a subsidiary-Mangalore Chemicals and Fertilizers Limited)

Assumptions	31 March 2022		31 March 2022		31 March 2022		31 March 2022	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(56.41)	61.29	61.27	(56.89)	4.42	(5.01)	0.23	(0.22)

Assumptions	31 March 2021		31 March 2021		31 March 2021		31 March 2021	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease	0.5 % increase	0.5 % decrease
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(57.51)	62.30	61.95	(57.71)	0.89	(1.05	0.04	(0.04)

Gratuity Plan (in case of a subsidiary-Zuari Farmhub Limited)

Assumptions	31 March 2022		31 March 2022		31 March 2022		31 March 2022	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	357.35	422.21	418.75	357.77	387.76	386.41	387.22	387.09

Assumptions	31 March 2021		31 March 2021		31 March 2021		31 March 2021	
	Discount rate		Future salary increases		Attrition rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase of attrition rate	50% decrease of attrition rate	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	298.13	356.49	354.94	297.91	324.48	325.31	324.92	324.90

A quantitative sensitivity analysis for significant assumption for the Group is as shown below:

Provident Fund

Assumptions	31 March 2022	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	INR in lakhs	INR in lakhs
Defined benefit obligation	323.33	(159.15)

Assumptions	31 March 2021	
	Interest Rate Guarantee	
Sensitivity Level	1% increase	1% decrease
	INR in lakhs	INR in lakhs
Defined benefit obligation	602.11	(226.71)

Post Retirement Medical Benefit Plan

Assumptions	31 March 2022		31 March 2022	
	Discount rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(3.46)	3.67	(1.66)	1.66

Assumptions	31 March 2021		31 March 2021	
	Discount rate		Mortality rate	
Sensitivity Level	1% increase	1% decrease	10% increase of mortality rate	10% decrease of mortality rate
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Defined benefit obligation	(3.73)	3.98	(1.78)	1.80

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Maturity Profile of Defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis): (INR in lakhs)

	Gratuity		Post Retirement Medical Benefit Plan	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	INR in lakhs	INR in lakhs	INR in lakhs	INR in lakhs
Within the next 12 months (next annual reporting period)	318.13	316.49	6.10	6.38
Between 1 and 5 years	711.09	1,058.25	21.88	22.97
Between 5 and 10 years	571.60	443.58	21.48	22.50
Beyond 10 years	2,583.13	2,231.20	23.81	25.47

The average duration of the defined benefit plan obligation at the end of the reporting period is 6-9 years (31 March 2021: 6-7 years).

34. Commitments and Contingencies

A. Contingent liabilities: (INR in lakhs)

		31 March 2022	31 March 2021
I	**Demands / Claims from Government Authorities***		
(A)	**Demands from Income Tax Authorities**		
i)	Demands in respect of assessment year 2012-13 for disallowances mainly on account of loss on sale of fertiliser bonds for which an appeal is pending with ITAT.	1,519.66	1,519.66
ii)	Demands in respect of assessment year 2012-13 for disallowances mainly on account of loss on sale of fertiliser bonds for which an appeal is pending with CIT (Appeals).	-	14.64
iii)	Demands in respect of assessment year 2013-14 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with ITAT.	320.88	320.88
iv)	Demands in respect of assessment year 2013-14 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with CIT (Appeals).	-	46.55
v)	Demands in respect of assessment year 2014-15 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with ITAT.	292.20	292.20
vi)	Demands in respect of assessment year 2014-15 for disallowances u/s 14A on account of expenditure for earning exempt income for which an appeal is pending with CIT (Appeals).	-	78.56

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

		31 March 2022	31 March 2021
vii)	Demands in respect of assessment year 2015-16 for disallowances u/s 37 on account of expendtiure incurred before commencement of business for which an appeal is pending with CIT (Appeals)	-	318.50
viii)	Demands in respect of assessment year 2016-17 for disallowances u/s 14A on account of expenditure for earning exempt income, depreciation on Goodwill and unrealised exchange loss for which an appeal is pending with CIT (Appeals)	1,505.87	1,505.87
ix)	Demands in respect of assessment year 2017-18 for disallowances u/s 14A on account of expenditure for earning exempt income, depreciation on Goodwill and unrealised exchange loss for which an appeal is pending with CIT (Appeals)	1,433.95	1,433.95
x)	Demand in respect of assessment year 2018-19 for disallowances of depreciation on Goodwill and claim u/s 115JB(2C)	12.95	12.95
xi)	Disputed income tax liability in respect of a subsidiary company of Assessment Year 2014-15^	358.04	358.04
xii)	Income-tax advance to Zuari Global Limited against earlier years demand pertains to Fertiliser Business in relation to Demerger happened in financial year 2011-12	522.16	522.16
(B)	**Demands from Sales Tax and Other Authorities**		
i)	Demand Notice from Commercial Tax Department, Maharashtra towards financial year 2011-12	-	2.87
ii)	Exparte Order received from Commercial Tax Department Lucknow, UP for the month of May 2016 to July 2016, September 2016, October 2016 and December 2016	14.34	14.34
iii)	Penalty order received for delay in payment of tax from Commercial Tax Department Lucknow, UP towards financial year 2016-17	9.23	9.23
iv)	Demand notice from Commercial Tax Department, Jaipur towards Excess Input Tax Credit availed for the periods 2011-12 and 2013-14 in respect of Parent Company	32.10	32.10
v)	Demand notice from Commercial Tax Department, Madhya Pradesh towards non-submission of "C Form" for the period 2013-14 of the Parent Company	-	2.48
vi)	Demand notice from commercial tax department Kerala towards Conceded an interstate stock transfer (Out) of taxable items for the period 2009-10 of the Parent Company	-	-
vii)	Demand Notice from commercial tax department Meerut, UP towards financial year 2009-10	52.76	52.76
viii)	Demand Notice from commercial tax department Meerut, UP towards financial year 2013-14 on account of tax rate difference	16.40	16.40
ix)	Demand Notice from commercial tax department Telangana towards Short ITC reversal on stock transfers	8.85	8.85
x)	Demand Notice from commercial tax department Andhra Pradesh towards non submission of F Form for stock transfers	-	179.29
xi)	Exparte Order received from Commercial Tax Department , UP for the year 2016-17.	67.00	67.00
xii)	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases for the year 2016-17	257.88	257.88
xiii)	Demand Notice from Commercial Tax Department, Maharashtra towards non submission of supporting documents for F Form for the year 2016-17	7.62	7.62
xiv)	Demand Notice from Commercial Tax Department, Maharashtra towards suppression of sale, disallowance of ITC on purchases & non submission of supporting documents for F Form for the year 2017-18	15.27	-
xv)	Demand Notice from Commercial Tax Department, Odisha towards non submission of supporting documents for F Form for the year 2016-17	2.09	-
xvi)	Demand notice received for Telangana state towards payment of Entry tax financial year 2017-18	-	-
xvii)	Demand notice from Authority on Advance Ruling(AAR), Bangalore towards entry tax on DG sets, WHRB and auxiliaries for the period January 2012 to July 2014 in respect of subsidiary company	334.81	340.52
xviii)	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	4,291.34
xix)	Demand notice from CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18#	2,767.33	2,767.33

		31 March 2022	31 March 2021
xx)	Interest appropriation on Demand raised by CGST, Goa on account of GST refund on services under inverted duty structure from July 2017 to March 2018 towards financial year 2017-18#	756.26	756.26
xxi)	Demand notice from GST department, Gujarat towards recovery of refund issued errorneously for the month of Aug 2017#	492.49	492.49
xxii)	Disputed customs duty liability under appeal by a subsidiary company before CESTAT	402.70	402.70
xxiii)	Demand notice from Customs department, Mumbai towards non eligibility of exemption under notification no. 04/06–CE dt 1 March 2006 (as amended by notification no. 4/2011–CE dt. 1 March 2011) towards Counter–Vailing Duty (CVD) for the imports at Navasheva port for the period 24 March 2011 to 2 December 2011. Appeal filed with West Zonal Branch of the Customs, Excise and Service Tax Appellate Tribunal at Mumbai.#	26.10	26.10
xxiv)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 1 April 2001 to 28 February 2006. The Parent Company has filed appeal with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore.#	284.74	284.74
xxv)	Demand notice from Customs Department, Chennai towards denial of import of MOP at concessional rate of duty for the period 2002–03 and 2003–04. The Parent Company has filed appeal with South Regional branch of the Customs, Excise and Service Tax Appellate Tribunal at Bangalore.#	148.28	148.28
xxvi)	Customs Duty Differential on finalised Bill of Entries–Dharamatar Port–Order by Deputy Commissioner of Customs(P) Alibaug Division#	71.02	71.02
xxvii)	Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips#	140.52	140.52
xxviii)	Demand for non-payment of service tax under reverse charge mechanism on manpower supply services and GTA services for Financial year 2015-16 and 2016-17#	-	266.11
xxix)	Demand for non payment of service tax on filling, weighing & stitching contract and internal transportation service from April 2017 -June 2017#	-	31.52
xxx)	Classification dispute of Outdoor catering service as “Man Power Supply” and demanding service tax thereon for financial year 2014-15 in respect of subsidiary company	9.27	9.27
xxxi)	Service tax payable under Reverse Charge Mechanism on Transportation of Micronutrients classifying them as non fertilisers for financial year 2013-14, 2014-15 and 2015-16 in respect of subsidiary company	6.22	6.22
xxxii)	Demand for non payment of R&D Cess on foreign consultancy services for the period April 2015 to June 2017#	-	277.17
xxxiii)	Demand notice from Commissioner of Central Excise towards classification of micronutrients for the period April 2012 to March 2016 in respect of subsidiary company	638.96	638.96
xxxiv)	Demand notice from Commissioner of Central Excise, Mangalore towards considering subsidy as assessable value and accordingly demanding of excise duty for the period March 2011 to September 2012 in respect of subsidiary company	-	4,700.16
II	**Other claims against the Group not acknowledged as debts***		
i)	Claims against the Group not acknowledged as debts##	195.01	359.36

* Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

^ In respect of subsidiary company, the income tax matters under appeal include certain deductions claimed by the Subsidiary Company for financial years 2012-13 and 2013-14 which have resulted in tax losses, on which deferred tax assets have been recognized and utilized against taxable profits of following years, which have been disallowed by the income tax authorities and the differential tax liability (deferred tax/regular tax) that may arise is estimated to be INR 3,315.00 lakhs and interest thereon. The Subsidiary Company is contesting aforesaid disallowances and the management, based on independent tax opinions, believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in this regard.

amount related to discontinued operations (Refer Note 29)

includes amount related to discontinued operations (Refer Note 29)

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

C. Financial Guarantees:

	31 March 2022	31 March 2021
Aggregate amount of guarantees issued by the banks to various Government Authorities and Others**	1,560.08	648.42

** In respect of Parent Company, bank guarantees of INR 695.12 lakhs (31 March 2021 : INR 454.92 lakhs) are secured by a charge created by way of hypothecation on the current assets, both present and future, wherever situated pertaining to the Parent Company and the Parent Company's present and future book debts outstanding, moneys receivable, claims, bills, contracts, engagements, rights and assets. Bank guarantees Includes amount related to discontinued operation (Refer Note 29).

D. Commitments:

	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)##	18,022.32	15,471.39

includes amount related to discontinued operations (Refer Note 29)

35. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

(i) Joint ventures of the Group

1) Zuari Maroc Phosphates Private Limited
2) Paradeep Phosphates Limited – Subsidiary of Zuari Maroc Phosphates Private Limited

(ii) Key management personnel of the Group

1) Mr. Saroj Kumar Poddar - Chairman
2) Mr. Nitin M Kantak - Executive Director (w.e.f 3 September 2020)
3) Mr. N. Suresh Krishnan - Non-Executive Director
4) Mr. Akshay Poddar - Non-Executive Director
5) Mr. Dipankar Chatterji - Independent Director
6) Mr. L.M.Chandrasekaran - Independent Director (w.e.f 27 June 2020)
7) Ms. Reena Suraiya- Independent Director (w.e.f. 24 June 2021)
8) Mr. Marco Wadia - Independent Director (Upto 31 March 2022)
9) Mr. Sunil Sethy - Managing Director (upto 31 July 2020)
10) Ms. Kiran Dhingra - Independent Director (upto 31 March 2021)
11) Mr. Raj Kumar Gupta - Chief Financial Officer
12) Mr. Vijayamahantesh Khannur - Company Secretary (w.e.f. 1 April 2020)

(iii) Parties having significant influence

1) Zuari Global Limited
2) Indian Furniture Products Limited (IFPL)
3) Forte Furniture Products (India) Private Limited (Joint Venture of Zuari Global Limited)
4) Simon India Limited
5) Zuari Management Services Limited
6) Zuari Infraworld India Limited
7) Zuari Finserv Limited
8) Zuari Investments Limited
9) Gobind Sugar Mills Limited (subsidiary of Zuari Investments Limited)
10) Zuari Indian Oil Tanking Private Limited (Joint Venture of Zuari Global Limited)

(iv) Details of Post employment benefit plans managed through separate trusts (para 9 (b) (v) of Ind AS 24)

1) Zuari Industries Limited Employee Provident Fund
2) Zuari Industries Limited Senior Staff Superannuation Fund
3) Zuari Industries Limited Non-Management Employees Pension Fund
4) Zuari Industries Limited Gratuity Fund
5) MCF Ltd Employees Gratuity Fund Trust ("MCF Gratuity Trust")
6) MCF Ltd Employees Superannuation Trust ("MCF Superannuation Trust")

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Following transactions were carried out amongst the related parties in the ordinary course of business for the period ended : (INR in lakhs)

Sr. No.	Transaction details	31 March 2022			31 March 2021		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
1.	**Expenses incurred on their behalf**						
	- Paradeep Phosphates Limited	157.00	-	-	29.66	-	-
	- Gobind Sugar Mills Limited	-	-	-	-	-	-
	- Zuari Global Limited	-	0.72	-	-	1.24	-
	- Zuari Indian Oil Tanking Private Limited	-	0.06	-	-	1.03	-
2.	**Expenses incurred on our behalf**						
	- Paradeep Phosphates Limited	-	-	-	0.90		-
3.	**Service charges paid**						
	- Zuari Management Services Limited	-	1,306.84	-	-	1,203.28	-
	- Zuari Finserv Limited	-	24.35	-	-	10.01	-
	- Zuari Global Limited	-	-	-	-	71.25	-
	- Zuari Indian Oil Tanking Private Limited	-	0.59				
4.	**Tolling & Allied Services/Other Income**						
	- Paradeep Phosphates Limited	905.25	-	-	480.58	-	-
5.	**Transfer of employee benefits**						
	- Paradeep Phosphates Limited	0.52	-	-	7.77	-	-
	- Zuari Management Services Limited	-	-	-	-	0.19	-
6.	**Purchase of traded goods**						
	- Paradeep Phosphates Limited	14,185.47	-	-	3,365.52	-	-
7.	**Purchase of raw materials**						
	- Paradeep Phosphates Limited	32,147.52	-	-	45,782.77	-	-
8.	**Sale of finished goods**						
	- Paradeep Phosphates Limited	19,613.07	-	-	29,425.15	-	-
9.	**Sale of Raw Material**						
	- Paradeep Phosphates Limite	5,674.24	-	-	-	-	-
10.	**Other expenses**						
	- Zuari Global Limited	-		-	-	1,186.20	-
11.	**Purchase of interiors**						
	- Indian Furniture Products Limited	-	86.68	-	-	340.01	-
12.	**Interest paid**						
	- Paradeep Phosphates Limited (net of reversal of INR Nil (31 March 2021: INR 1,971.44 lakhs))	1.50	-	-	(1,964.59)	-	-
13.	**Inter corporate deposits**						
	- Zuari Global Limited	-	-	-	-	7,450.00	
	- Zuari Management Services Limited	-	-	-	-	4,550.00	-
14.	**Interest paid on Inter corporate deposits**						
	- Zuari Global Limited	-	4,500.00	-	-	4,012.01	-
	- Zuari Management Services Limited	-	1,402.50	-	-	1,047.45	-
15.	**Rent paid**						
	- Zuari Global Limited	-	22.91	-	-	50.04	
	- Zuari Infraworld India Limited	-	9.51	-	-	51.16	-
	- Gobind Sugar Mills Limited	-	0.72	-	-	2.30	-
16.	**Director Deposit**						
	- Zuari Global Limited	-	-	-	-	1.00	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

Sr. No.	Transaction details	31 March 2022			31 March 2021		
		Joint Ventures	Enterprises having Significant Influence	Key Management Personnel	Joint Ventures	Enterprises having Significant Influence	Key Management Personnel
17.	**Dividend paid**						
	- Mr. Akshay Poddar	-	-	9.59	-	-	5.55
	- Zuari Global Limited	-	3.06	-	-	-	-
18.	**Advance received against Business Transfer Agreement**						
	- Paradeep Phosphates Limited	39,900.00		-	-	-	-
19.	**Contribution to Gratuity Fund**	-	159.34	-	-	612.98	-
20.	**Contribution to Superannuation Fund**	-	172.08	-	-	207.87	-
21.	**Contribution to Provident Fund (including employees contribution)**	-	539.78	-	-	613.16	-
22.	**Contribution to Contributory Pension Fund (including employees contribution)**	-	60.58	-	-	71.80	-

Terms and conditions of transactions with related parties

The transactions of sale and purchases with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding balances at the year end of trading activities are generally unsecured. Interest is charged as per terms of the contract with the related parties which is at arm's length. The net outstanding balances are settled generally in cash.

There have been no guarantees provided or received for any related party receivables or payables.

For the period ended 31 March 2022 , the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021 : INR Nil).

Compensation of key management personnel of the Parent Company*

	31 March 2022	31 March 2021
	(INR in lakhs)	(INR in lakhs)
Short term employee benefits	529.03	598.06
Retirement benefits	8.00	7.48
Sitting Fee	47.90	41.40
Total compensation paid to key management personnel	**584.93**	**646.94**

* The amount disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for the gratuity and compensated absences are provided on an actuarial basis for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable and therefore not included above.

includes amount related to discontinued operations (Refer Note 29)

Balance Outstanding as on# : (INR in lakhs)

Sr. No.	Transaction details	31 March 2022			31 March 2021		
		Joint Ventures	Enterprises having Significant Influence	Key management personnel	Joint Ventures	Enterprises having Significant Influence	Key management personnel
1.	**Trade payables :**						
	- Zuari Management Services Limited	-	38.65	-	-	91.29	-
	- Zuari Infraworld India Limited	-	7.36	-	-	7.29	-
	- Paradeep Phosphates Limited	72,873.39	-	-	51,763.95	-	-
	- Zuari Global Limited	-	105.27	-	-	89.31	-
	- Zuari Finserv Limited	-	1.78	-	-	11.30	-
	- Zuari Investments Limited	-	0.21	-	-	0.21	-
	- Gobind Sugar Mills Limited	-	-	-	-	1.30	-
2.	**Trade receivable/Other receivable :**						
	- Gobind Sugar Mills Limited	-	-	-	-	145.97	-
	- Paradeep Phosphates Limited	0.22	-	-	-	-	-
3.	**Capital advance :**			-			
	- Zuari Global Limited (Advance for purchase of Land)	-	-	-	-	3,209.13	-
	- Indian Furniture Products Limited	-	183.23		-	287.44	-
4.	**Security deposits given :**			-			
	- Zuari Infraworld India Limited	-	29.33		-	29.33	-
5.	**Advance given for income tax liability :**			-			
	- Zuari Global Limited	-	522.15		-	522.15	-
6.	**Advance to Employee:**						
	- Mr. Sunil Sethy	-	-	81.00	-	-	81.00
7.	**Inter corporate deposits:**						
	- Zuari Global Limited	-	30,000.00	-	-	30,000.00	-
	- Zuari Management Services Limited	-	9,350.00	-	-	9,350.00	-
8.	**Trade deposit received :**			-			
	- Gobind Sugar Mills Limited	-	0.50		-	0.50	-
9.	**Interest payable :**						
	- Paradeep Phosphates Limited	2,364.29	-	-	2,364.29	-	-
	- Zuari Global Limited	-	865.94	-	-	645.08	-
	- Zuari Management Services Limited	-	297.28	-	-	143.24	-
10.	**Advance from customers/others**			-			
	- Paradeep Phosphates Limited	39,900.00	-	-	-	-	-
11.	**Gratuity fund balance :**	-	1,398.65	-	-	1,933.86	-
12.	**Provident fund balance* :**	-	12,387.95	-	-	12,564.23	-

*Includes amount contributed by Zuari Global Limited (related party of the Parent Company)

#includes amount related to discontinued operations (Refer Note 29)

36. Segment Information:

Information regarding primary segment reporting as per Ind AS-108

The Group is engaged in the business of manufacturing, trading and marketing of seeds, pesticides, chemical fertilizers and fertilizer products which according to the management, is considered as the only business segment.

Accordingly, no separate segmental information has been provided herein.

Geographical Segments

The Group operates in India and therefore caters to the needs of the domestic market. Therefore, there is only one geographical segment and hence, geographical segment information is not required to be disclosed.

Revenue from single customer i.e. Government of India amounted to INR 3,74,305.45 lakhs (31 March 2021 : INR 2,23,084.26 lakhs) arising from sales in the fertilizers segment, including discontinued operations of INR 1,73,143.34 lakhs (31 March 2021 : INR 1,20,024.01 lakhs (Refer Note 29)).

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37. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in lakhs)

	Carrying value		Fair value	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Financial assets				
Investments:				
Investment in quoted equity share at FVTOCI	1,442.71	2,029.64	1,442.71	2,029.64
Investment in unquoted equity share at FVTOCI	2,764.80	692.64	2,764.80	692.64
Investment in mutual fund	10.54	0.10	10.54	0.10
Others:				
Loans and advances	-	-	-	-
Employee loans and interest thereon	3.85	3.37	3.85	3.37
Security deposits	1,021.00	923.20	1,021.00	923.20
Foreign exchange forward covers	43.23	39.59	43.23	39.59
Claims receivable	-	-	-	-
Packing scheme incentive grant receivable	91.11	91.11	91.11	91.11
Other financial assets	1,526.44	2,116.90	1,526.44	2,116.90
Total financial assets	**6,903.69**	**5,896.55**	**6,903.69**	**5,896.55**
Financial Liabilities				
Borrowings				
Long term borrowings	57,347.89	99,727.44	57,347.89	99,727.44
Short term borrowings	206,964.07	85,371.61	206,964.07	85,371.61
Others:				
Foreign exchange forward covers	514.08	1,174.10	514.08	1,174.10
Payable towards voluntary retirement scheme	-	8.43	-	8.43
Other financial liabilities	18,918.15	12,932.30	18,918.15	12,932.30
Total financial liabilities	**283,744.20**	**199,213.88**	**283,744.20**	**199,213.88**

The management assessed that cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/ Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for Borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debts, as current effective rates. Hence, the discontinuing rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

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.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(iv) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
As on 31 March 2022				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 14.10% & LTGR 4.00%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 56.16 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 50.40 lakhs respectively.
As on 31 March 2021				
Investment in Unquoted equity share of Indian Potash Limited	DCF Method	WACC and Long Term Growth Rate (LTGR)	WACC 13.31% & LTGR 4%	Increase in WACC and decrease in LTGR by 0.50% would result in decrease in fair value by INR 59.04 lakhs and Decrease in WACC and increase in LTGR by 0.50% would result in increase in fair value by INR 51.84 lakhs respectively.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets: (INR in lakhs)

As at 1 April 2020	**660.96**
Re-measurement gain recognised in OCI	31.68
Purchases	-
Sales	-
As at 31 March 2021	**692.64**
Re-measurement gain recognised in OCI	2,072.16
Purchases	-
Sales	-
As at 31 March 2022	**2,764.80**

38. Fair value measurements

(i) Financial instruments by category (INR in lakhs)

	31 March 2022			31 March 2021		
	FVTPL	**FVTOCI**	**Amortised cost**	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets						
Investments-						
Investment in quoted equity share at FVTOCI	-	1,442.71	-	-	2,029.64	-
Investment in unquoted equity share at FVTOCI	-	2,764.80	-	-	692.64	-
Investment in mutual fund	-	10.54	-	-	0.10	-
Loans and interest thereon	-	-	3.85	-	-	3.37
Security deposits	-	-	1,021.00	-	-	923.20

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(INR in lakhs)

	31 March 2022			31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Trade receivables	-	-	63,350.94	-	-	45,392.77
Cash and cash equivalents	-	-	56,551.26	-	-	42,732.30
Bank balances other than above	-	-	13,922.72	-	-	18,160.93
Foreign exchange forward covers	43.23	-	-	39.59	-	-
Other financial assets	-	-	1,617.55	-	-	2,208.01
Total Financial assets	**43.23**	**4,218.05**	**1,36,467.31**	**39.59**	**2,722.38**	**1,09,420.59**
Financial liabilities						
Borrowings	-	-	2,64,311.96	-	-	1,85,099.05
Trade payables	-	-	58,716.65	-	-	40,834.48
Foreign exchange forward covers	514.08	-	-	1,174.10	-	-
Payable for capital goods	-	-	4,567.93	-	-	1,898.72
Others	-	-	14,350.22	-	-	11,042.01
Total Financial liabilities	**514.08**	**-**	**3,41,946.77**	**1,174.10**	**-**	**2,38,874.26**

(ii) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022 :

(INR in lakhs)

	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2022	1,442.71	1,442.71		
Investment in unquoted equity share at FVTOCI	31 March 2022	2,764.80	-	-	2,764.80
Investment in mutual fund	31 March 2022	10.54	10.54	-	-
Assets for which fair values are disclosed (Note 40)					
Loans and advances	31 March 2022	-	-	-	-
Employee loans and interest thereon	31 March 2022	3.85	-	3.85	-
Security deposits	31 March 2022	1,021.00	-	1,021.00	-
Foreign exchange forward covers	31 March 2022	43.23	-	43.23	-
Packing scheme incentive grant receivable	31 March 2022	91.11	-	91.11	-
Other financial assets	31 March 2022	1,526.44	-	1,526.44	-

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2022 : (INR in lakhs)

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31 March 2022	514.08	-	514.08	-
Liabilities for which fair values are disclosed (Note 40)					
Long term borrowings	31 March 2022	57,347.89	-	57,347.89	-
Short term borrowings	31 March 2022	206,964.07	-	206,964.07	-
Payable towards voluntary retirement scheme	31 March 2022	-	-	-	-
Other financial liabilities	31 March 2022	18,918.15	-	18,918.15	-

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

Quantitative disclosures, fair value measurement hierarchy for assets as at 31 March 2021 : (INR in lakhs)

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in quoted equity share at FVTOCI	31 March 2021	2,029.64	2,029.64	-	-
Investment in unquoted equity share at FVTOCI	31 March 2021	692.64	-	-	692.64
Investment in Mutual Fund	31 March 2021	0.10	0.10	-	-
Assets for which fair values are disclosed (Note 40)					
Loans and advances	31 March 2021	-	-	-	-
Employee loans and interest thereon	31 March 2021	3.37	-	3.37	-
Security deposits	31 March 2021	923.20	-	923.20	-
Foreign exchange forward covers	31 March 2021	39.59	-	39.59	-
Claims receivable	31 March 2021	-	-	-	-
Packing scheme incentive grant receivable	31 March 2021	91.11	-	91.11	-
Other financial assets	31 March 2021	2,116.90	-	2,116.90	-

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2021 : (INR in lakhs)

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Foreign exchange forward covers	31 March 2021	1,174.10	-	1,174.10	-
Liabilities for which fair values are disclosed					
Long term borrowings	31 March 2021	99,727.44	-	99,727.44	-
Short term borrowings	31 March 2021	85,371.61	-	85,371.61	-
Payable towards voluntary retirement scheme	31 March 2021	8.43	-	8.43	-
Other financial liabilities	31 March 2021	12,932.30	-	12,932.30	-

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

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39. Financial risk management objectives and policies

The Group'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 Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds investments and enters into derivative transactions. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors (Committee of directors for Banking and Finance) provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

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 market variables on: the carrying values of gratuity and other post retirement obligations, provisions, and other non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

(INR in lakhs)

	Increase/decrease in basis points	Effect on profit/ (loss) before tax
For the period ended 31 March 2022		
INR Borrowings	+50	(675.41)
USD Borrowings	+50	(240.79)
Euro Borrowings	+50	(1.66)
INR Borrowings	-50	675.41
USD Borrowings	-50	240.79
Euro Borrowings	-50	1.66
For the period ended 31 March 2021		
INR Borrowings	+50	(710.58)
USD Borrowings	+50	(195.58)
Euro Borrowings	+50	(8.85)
INR Borrowings	-50	710.58
USD Borrowings	-50	195.58
Euro Borrowings	-50	8.85

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

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group uses foreign exchange forward contracts to manage its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 7 months.

Foreign currency sensitivity

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

For the period ended 31 March 2022 (INR in lakhs)

	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(2,101.36)
	-5%	2,101.36
GBP	+5%	-
	-5%	-
Euro	+5%	(16.70)
	-5%	16.70

For the period ended 31 March 2021 (INR in lakhs)

	Change in foreign currency rate	Effect on profit before tax
USD	+5%	(2,212.14)
	-5%	2,212.14
GBP	+5%	(5.34)
	-5%	5.34
Euro	+5%	(80.35)
	-5%	80.35

c) Commodity price risk

(i) The Group's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is with in the permissible norm for manufacturing of Urea.

(ii) The Group deals in purchase of imported fertilisers (i.e. DAP and MOP), which are imported by the Group and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(iii) The Group also deals in purchase of imported raw materials (i.e. P2O5, Ammonia, Potash and Urea), which are imported by the Group and used in the manufacturing of NPK. The import prices of these materials are governed by international prices. There is a price and material availability risk.

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 2,764.80 lakhs (31 March 2021 : INR 692.64 lakhs). Sensitivity analyses of these investments have been provided in Note 35.

At the reporting date, the exposure to listed equity securities at fair value was INR 1,442.71 lakhs (31 March 2021 : INR 2,029.64 lakhs). A decrease of 5% on the BSE market price could have an impact of approximately INR 72.14 lakhs (31 March 2021 : INR 101.48 lakhs) on the other comprehensive income or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact other comprehensive income and equity. These changes would not have an effect on profit or loss.

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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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Group 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 Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customer. The Group monitors the payment track record of the customer. Outstanding customer receivables are regularly monitored. The Group 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 Group has also taken security deposits from its customers, which mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group holds collateral as security for many of its customers. In case of Parent Company, at 31 March 2022 , 5.45% (31 March 2021 : 15.38%) of the Parent Company's trade receivables are covered by collateral security. In case of Subsidiary Company, at 31 March 2022 , 8.62% (31 March 2021 : 11.59%) of the Subsidiary Company's trade receivables are covered by collateral security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical areas and are having long term business relationship with the Group.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Group adjusts the receipts from customer on first in first out basis. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than five years and are not subject to enforcement activity. Security collaterals obtained by the Parent Company resulted in a decrease in the ECL of INR 254.17 lakhs as at 31 March 2022 (31 March 2021 : INR 239.50 lakhs). During the year ended 31 March 2022 , the Parent Company had performed certain key steps for recoverability of trade receivables including but not limited to reconciliation with its customers, filing of legal cases with customers, recoverability assessment of aged receivables and etc. Basis these steps taken by the management, the Parent Company is carrying provision of INR 1,826.61 lakhs (31 March 2021 : INR 4,346.37 lakhs) based on their best estimate.

Set out below is the information about the credit risk exposure of the Parent Company's trade receivables and contract asset using provision matrix:

(INR in lakhs)

	Contract Asset	<1 Yr	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	>5 Yr	Grand Total
	ECL Rate	**0.89%**	**6.71%**	**15.52%**	**12.19%**	**31.32%**	**100.00%**	
31 March 2022	Estimated total gross carrying amount at default	1,774.82	75.77	791.78	3,573.34	1,992.06	1,689.60	**9,897.37**
	ECL- simplified approach	15.78	5.09	122.88	435.68	623.85	1,689.60	**2,892.88**
	Net carrying amount	**1,759.04**	**70.68**	**668.90**	**3,137.66**	**1,368.21**	**-**	**7,004.49**
31 March 2021	**ECL Rate**	**0.01%**	**2.92%**	**4.00%**	**14.86%**	**54.45%**	**100.00%**	
	Estimated total gross carrying amount at default	3,528.68	1,958.30	1,624.29	2,808.90	1,093.18	1,226.57	**12,239.92**
	ECL- simplified approach	0.38	57.11	64.91	417.51	595.20	1,226.57	**2,361.68**
	Net carrying amount	**3,528.30**	**1,901.18**	**1,559.38**	**2,391.39**	**497.99**	**-**	**9,878.24**

Set out below is the information about the credit risk exposure of the Subsidiary Company's, Mangalore Chemicals and Fertilizers Limited, trade receivables and contract asset using provision matrix:

Though the required amount of ECL provision as at March 31, 2022 is lower than the provision of earlier years, the Company is carrying ECL of INR 500.03 Lakhs same as previous year on conservative basis.

Reconciliation of provision for doubtful debts, loans, other financial assets and other advances falling under stage 3 of impairment testing:

(INR in lakhs)

	Trade receivables	Loans	Other financial assets	Other advances	Total
Provision as on 1 April 2020:	**9,508.05**	**802.62**	**74.28**	**6,317.67**	**16,702.62**
Add: Provision made during the period	5,190.54	-		-	5,190.54
Less: Provision utilized during the period	(6,007.24)	(1.00)	-	(226.06)	(6,234.30)
Less: Transferred to discontinued operations (Refer Note 29)	(4,756.70)	-	-	-	(4,756.70)
Provision as on 31 March 2021:	**3,934.65**	**801.62**	**74.28**	**6,091.61**	**10,902.16**
Add: Provision made during the period	-	-	-	-	-
Less: Provision utilized during the period	(246.05)	(801.62)	-	(18.76)	(1,066.44)
Less: Transferred to discontinued operations (Refer Note 29)	-	-	-	-	-
Provision as on 31 March 2022:	**3,688.60**	**-**	**74.28**	**6,072.85**	**9,835.72**

Reconciliation of impairment allowance on investment in equity securities at fair value through profit and loss (FVTPL):

	Amount (INR in lakhs)
Impairment allowance as on 1 April 2020:	**11,779.36**
Add: Provision made during the period	164.11
Less: Provision reversed during the period	-
Impairment allowance as on 31 March 2021 :	**11,943.47**
Add: Provision made during the period	-
Less: Provision reversed during the period	-
Impairment allowance as on 31 March 2022 :	**11,943.47**

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the guidelines framed by the board of directors of the Group. Guidelines broadly covers the selection criterion and over all exposure which the Group can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Group can make with a particular bank or financial institution. The Group does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Liquidity risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group 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 Group 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 Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(INR in lakhs)

	Less than 1 Year	1-3 Years	3-5 years	> 5 years	Total
Year ended 31 March 2022					
Borrowings	2,06,379.69	43,024.73	5,448.54	35,664.08	2,90,517.04
Lease Obligation	809.35	2,656.16	3,025.53	3,660.31	10,151.35
Other financial liabilities	41,285.72	-	-	-	41,285.72
Trade and other payables	1,91,327.24	989.04	-	-	1,92,316.28
Foreign exchange forward covers	498.94	15.14	-	-	514.08
	4,40,300.94	**46,685.07**	**8,474.07**	**39,324.39**	**5,34,784.47**
Year ended 31 March 2021					
Borrowings	1,06,047.38	71,195.96	-	-	1,77,243.34
Lease Obligation	567.21	2,293.27	1,737.75	3,257.48	7,855.71
Other financial liabilities	12,940.73	-	-	-	12,940.73
Trade and other payables	40,834.48	-	-	-	40,834.48
Foreign exchange forward covers	1,073.34	100.76	-	-	1,174.10
	1,61,463.14	**73,589.99**	**1,737.75**	**3,257.48**	**2,40,048.35**

40. Key financial ratios

Particulars	31 March 2022	31 March 2021	% Change	Reasons for variance above 25% as per Schedule III requirement
1. Current Ratio (Current Assets/Current Liabilities)	0.67	0.76	12.20%	-
2. Debt - Equity Ratio (Debt/Equity)	3.13	2.90	-8.02%	-
3. Debt Service Coverage Ratio (Net profit after tax + Non cash operating expenses)/(Interest & Lease payments + Principal Repayments)	0.39	0.10	-277.74%	Improved due to profit during the year as against loss during last year.
4. Return on Equity Ratio (Net profit after taxes/ Average Shareholder's equity)	0.23	(0.18)	227.19%	Improved due to profit after tax increased during the year.
5. Inventory turnover ratio (Cost of goods sold/ Average Inventory)	8.50	5.01	-69.56%	Deviation is due to increase in cost of goods sold due to higher closing stock as at 31 March 2022.
6. Trade Receivables turnover ratio (Net sales/ Average Trade Receivables)	6.60	5.30	-24.68%	-
7. Trade payables turnover ratio (Total Purchase/ Average Trade Payable)	5.31	1.26	-321.02%	Deviation is due to Trade Payables of discontinued opeations included in average trade payables of March 2021
8. Net capital turnover ratio (Total Sales/ Working Capital)	(3.73)	(5.51)	32.39%	Improved due to higher sales and profit during the year.
9. Net profit ratio (Profit after tax/Revenue)	0.05	(0.05)	190.61%	Deviation is due to increase in profit after tax in financial year 2021-22 in comparison to Financial year 2020-21.
10. Return on Capital employed (EBIT/ (Total Assets - Total Current Liabilities))	0.11	0.02	-354.26%	Deviation is due to increase in EBIT.

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors its capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in lakhs)

	31 March 2022	31 March 2021
Total Borrowings (Refer Note 14A and Note 14B)	2,64,311.96	1,85,099.05
Trade payables (Refer Note 15)	58,716.65	40,834.48
Other payables (Refer Note 16)	19,432.23	14,114.83
Less: Cash and cash equivalents (Refer Note 12)	(56,551.26)	(42,732.30)
Net debts	**2,85,909.59**	**1,97,316.06**
Total equity	36,700.96	19,619.24
Capital and net debt	**3,22,610.55**	**2,16,935.30**
Gearing ratio (%)	**88.62%**	**90.96%**

In order to achieve this overall objective, the Group'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.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021 .

The Parent Company has various covenants to be complied in respect of its borrowings. The primary covenants are total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio, fixed assets coverage ratio, current ratio, debt to EBITDA ratio, current assets to current liabilities ratio and total debt to equity ratio. Following are the non compliances for debt covenants for borrowings from:

Lender Name	Covenants breached	Consequences of breach	Management assessment
HDFC Limited	Total outstanding liabilities to tangible net worth ratio, debt service coverage ratio, interest coverage ratio	The Parent Company shall pay default interest of 2% per annum over and above the applicable interest rate for each of the above event till such time such default / non-compliance is cured to the Lender's satisfaction	There is breach of certain covenants since year ended March 31, 2019. Due to breach of covenant, non-current portion of term loans from bank has been classified under current borrowings in the financial statement for which the lender had not charged any penal interest on such breach of covenants and had not withdrawn the facility and on that basis company has not accounted for penal interest.
Aditya Birla Finance Limited	Debt to EBITDA ratio, fixed asset coverage ratio, total debt to equity, total debt and contingent liability to equity, debt service coverage ratio	Any breach in financial covenants shall attract a penalty of 1% per annum till time such breach is cured.	

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

Included in loans, the particulars of which are disclosed in below as required by section 186 (4) of the Companies Act, 2013:

(i) For further details of loans, Refer Note 6B.

(ii) Details of Investments made are given under Note 6A.

43. In earlier years, based on the circulars received for revision in uniform freight relating to secondary freight and direct road movement, the Parent Company has accrued additional freight subsidy income of INR 3,677.75 (31 March 2021: INR 3,043.72 lakhs) relating to Urea and INR 3,106.47 (31 March 2021: INR 2,910.62 lakhs) for Phosphoric and Potassic Fertilisers.

Out of the above, the Parent Company has raised and submitted bills for additional freight subsidy of INR Nil (upto 31 March 2021: INR 2,762.52 lakhs) relating to Urea and INR Nil (upto 31 March 2021 : INR 2,129.75 lakhs) for Phosphoric and Potassic Fertilisers.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

The ParentCompany is in process of raising the balance bills of INR 1,891.96 (31 March 2021 : INR 1,062.07 lakhs) and collected INR 3,879.34 lakhs (31 March 2021: INR 3,542.55 lakhs). The Parent Company is hopeful to realize the balance amount of INR 2,904.89 lakhs (31 March 2021 : INR 2,411.80 lakhs).

44. The Parent Company is carrying a receivable of INR 1,949.03 lakhs (31 March 2021 : INR 1,949.03 lakhs) for the period February 2013 and March 2013 on account of accrual of subsidy income at higher rate in comparison to rate at which subsidy is granted. However, as per the office memorandum dated 16 April 2018 issued by the Department of Fertilizer (DOF), the Government has ex-post facto approved the subsidy paid on specific quantity of P&K fertilizer received in the relevant district during February 2013 and March 2013 months in different year since 2012-13 at the rates fixed for the next financial year which were lower than the rate approved by cabinet /CCEA for that year. The Parent Company has represented to the Department of Fertilizer that the material moved in February 2013 and March 2013 was part of the approved movement plan of January 2013 and hence Nutrient Based Subsidy rates of 2013 should be applicable. The Parent Company had filed writ petition at Hon'ble High Court of Delhi (DHC) against Department of Fertilizer to recover this amount. Pursuant to the court order, the Court hearing was granted by DoF to present its claims and also submitted written representations.

DoF vide their order dated 29 September 2019 had rejected the representation and submissions by the Parent Company against which the Parent Company has filed writ petition to the higher authority against the order passed by DoF. On 3 March 2021 DHC has issued notice in the writ petition and has directed DoF to file its reply. DOF has filed its reply on 27 July 2021, and the parent Company has been directed to file its rejoinder within six weeks thereafter. The Parent Company has filled rejoinder and in the hearing on 28 March 2022, final disposal of the matter is scheduled on 18 July 2022. Based on the legal assessment done by the Parent Company, it is hopeful to realize the aforesaid amount, hence, no provision has been made in the accounts.

45A. During the financial year 2013-14, the Parent Company had sold part of freehold land to Zuari Global Limited at a consideration of INR 16,359.32 lakhs. The possession of the said parcel of land was handed over on 28 March 2014; however the transfer of title is under progress. The Parent Company had received full consideration from the buyer in the financial year 2013-14.

45B. In terms of demerger of fertilizer undertaking from Zuari Global Limited in an earlier year, the land records of some of the land parcels are in the process of being mutated in the name of the Parent Company.

46. Zuari Global Limited (ZGL) had demerged its fertilizer undertaking to the Parent Company with effect from 1 July 2011. ZGL has during an earlier year, based on Hon'ble High Court order on demerger of fertilizer undertaking, identified amount of income tax paid under protest pertaining to fertilizer undertaking demerged into the Parent Company.

The Parent Company has exchanged letter of mutual understanding with ZGL wherein the Parent Company has paid such amount of income tax paid under protest. During the financial year ended on 31 March 2017, the Parent Company had paid INR 2,533.85 lakhs to ZGL on this account pending completion of final assessment/litigation in respect of such financial years, out of which, for the year ended 31 March 2019, ZGL has received a favourable order of INR 825.50 lakhs in respect of fertilizer undertaking for the assessment year 2008-09, 2009-10, 2010-11 and 2011-12. During the financial year ended on 31 March 2021, consequent to receipt of favourable order for assessment year 2012-13, claim of fertiliser undertaking of INR 1,186.20 lakhs was no more recoverable from ZGL. The Parent Company is hopeful to realize the above entire amount of INR 522.15 lakhs (31 March 2021: INR 522.15 lakhs).

The Parent Company had also paid INR 3,209.13 lakhs in financial year 2016-17 as advance to Zuari Global Limited for purchase of two pieces of land in Solapur district. Pursuant to business transfer agreement (BTA) executed on 31 March 2020 between the Parent Company and Zuari FarmHub Limited (ZFL), the land parcels has been transferred to ZFL. The Subsidiary Company is in the process of getting it registered in name of the Subsidiary Company.

47. During the year ended 31 March 2020 due to devolvement of loans, a remuneration of INR 81.00 lakhs paid to its then managing director in accordance with ordinary resolution but not without prior approval from banks/financial institutions and approval of the shareholders by a special resolution as per provisions of Section 197 of Companies Act, 2013 (Act) read with Schedule V, has been recognized as recoverable from the managing director as at year end. As per section 197(10) of the Act, the Parent Company proposes to seek approval of shareholders by way of special resolution for waiver of recovery of remuneration paid to the then managing director, after obtaining prior approvals from the banks / financial institutions for which Parent Company has initiated the process.

48. The Group has assessed the impact of COVID -19 and concluded that there is no material impact on the operations of the Group and no material adjustment is required at this stage in the consolidated financial statements for the year ended 31 March 2022 . However, the Group will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID-19 and the impact may be different from the estimates considered while preparing the these consolidated financials statements.

49. (a) United Breweries Limited, KingFisher Finvest India Limited, McDowell Holdings Limited instituted arbitration proceedings against the Parent Company and its erstwhile subsidiary, Zuari Fertilizer and Chemicals Limited (now merged with the Parent Company) alleging breach of the Share Holders Agreement (SHA) dated 12 May 2014 executed between the parties. The arbitration was instituted before the former Chief Justice of India. The Award was passed on 8 May 2017 wherein the Arbitrator has held that the SHA cannot be specifically enforced. The claims raised by the Claimants stand dismissed and the arbitrator has ordered to pay to the Parent Company a sum of INR 75.00 lakhs. The Award has been challenged by the Claimants before the High Court of Bombay at Mumbai and the matter has been disposed in favour of the Parent Company.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(b) Mangalore Chemicals and Fertilizers Limited (MCFL), a subsidiary Company, in an earlier year had engaged an independent firm to carry out forensic review of certain transactions relating to investment in preference shares of Bangalore Beverages Limited and advances to United Breweries (Holdings) Limited, which indicated that these transactions may have involved irregularities. These investment of INR 20,000.00 lakhs and advances of INR 1,668.20 lakhs aggregating to INR 21,668.20 lakhs were fully provided for during the year ended 31 March 2016.

Zuari Fertilisers and Chemicals Limited, the holding company (now merged with the Parent Company) had filed a petition before the National Company Law Tribunal, Bengaluru ("NCLT") to claim accountability of erstwhile promoter group for the aforesaid irregularities. On 19 August 2019 the aforesaid petition has been withdrawn and accordingly this matter has been disposed of by the NCLT.

50. Statutory Group Information:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income /(loss)		Share in total comprehensive income/ (loss)	
	As % of consolidated net assets	Amount in INR lakhs	As % of consolidated profit and loss	Amount in INR lakhs	As % of consolidated other comprehensive income	Amount in INR lakhs	As % of consolidated total comprehensive income	Amount in INR lakhs
Parent Company								
Zuari Agro Chemicals Limited								
31 March 2022	(41%)	(15,117.04)	(64%)	(8,345.08)	101%	4,090.93	(25%)	(4,254.15)
31 March 2021	(55%)	-10,862.89	151%	(23,712.19)	95%	1,146.37	156%	(22,565.82)
Subsidiary Companies								
Mangalore Chemicals and Fertilizers Limited								
31 March 2022	186%	68,306.99	67%	8,786.13	(1%)	(20.27)	51%	8,765.86
31 March 2021	310%	60,726.28	(43%)	6,709.85	4%	50.75	(47%)	6,760.60
Adventz Trading DMCC								
31 March 2022	(3%)	(1,050.61)	(3%)	(435.88)	(0%)	(6.29)	(3%)	(442.17)
31 March 2021	(3%)	(585.20)	2%	(358.61)	1%	7.48	2%	(351.13)
Zuari FarmHub Limited								
31 March 2022	(68%)	(25,025.28)	(13%)	2,022.19	0%	3.52	12%	2,025.71
31 March 2021	(240%)	(47,137.70)	14%	(2,182.56)	0%	-	15%	(2,182.56)
Non-controlling interests in all subsidiaries								
31 March 2022	130%	47,743.61	31%	4,039.38	(0%)	(9.32)	24%	4,030.06
31 March 2021	226%	44,258.40	(20%)	3,084.82	2%	23.33	(21%)	3,108.15
Joint Ventures								
31 March 2022	0%	-	123%	16,028.65	(1%)	(38.84)	94%	15,989.81
31 March 2021	0%	-	(55%)	8,673.85	2%	28.49	(60%)	8,702.34
Eliminations and adjustments due to Consolidation								
31 March 2022	(104%)	(38,156.71)	(69%)	(9,052.05)	0%	18.65	(53%)	(9,033.41)
31 March 2021	(136%)	(26,779.65)	50%	(7,924.54)	-4%	(46.65)	55%	(7,971.19)
Total								
31 March 2022	**100%**	**36,700.96**	**100%**	**13,043.34**	**100%**	**4,038.38**	**100%**	**17,081.72**
31 March 2021	**100%**	**19,619.24**	**100%**	**(15,709.38)**	**100%**	**1,209.76**	**100%**	**(14,499.61)**

51. The Parent Company is engaged in the manufacturing, distribution, import and sale of Urea, DAP and various grades of NPK fertilizers under the "Jai kisaan" brand for more than 5 decades. In Q4 of FY19 and Q1 of FY20, due to significant delays in receipt of Government Subsidies, drought like situation in key marketing areas led to deterioration of the Company's liquidity position along-with elongation of the working capital cycle and also a buildup of high priced inventory. The Parent Company was unable to pass on the increase in the prices of the raw materials to the farmers which contributed to operating losses, cash flow mismatch and reduced financial flexibility leading to the Company having a net current liability position, which adversely impacted the Parent Company's cash flows, debt position, and led to the recall of borrowings by certain lenders, downgrading of rating to ICRA D and prolonged shutdown of its plants for different periods during the earlier periods. The net current liability position as on 31 March 2022 are INR 2,08,284.51 lakhs (as at 31 March, 2021 INR 1,55,674.15 lakhs).

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

The Parent Company had cleared all the overdues with Banks / Financial Institutions and have reduced its borrowings and all debt accounts are standard with the lenders. The credit ratings as on April 2020 was upgraded to ICRA B stable, which though shifted to Credit rating ICRA B placed under watch with developing implications from July 2020 onwards.

During the year, Ammonia and Urea plant operated at normal levels. Further, operations of NPK A and B plant were intermittently in operation primarily due to non-availability of raw materials.

The above factors/events indicate that there is a material uncertainty that may cast significant doubt on the Parent Company's ability to continue as a going concern. The Parent Company has entered into a Business Transfer Agreement with a group company (PPL) for transfer of its fertilizer plant at Goa and associated businesses (Fertilizer Division) of the Parent Company as a going concern on a slump sale basis. During the year ended 31 March 2022, PPL continues to provide necessary financial assistance to run the operations of the Parent Company. Further, the Parent Company is also undertaking various steps to continue operations at its fertilizer plant and discussions with lenders for funding as required based on available credit limits. A combination thereof and resultant future cash flow projections, the management of Parent Company believes that the Company will be able to realize its assets and discharge its liabilities and material uncertainty on the Parent Company's ability to continue as a going concern will be addressed.

52. The Parent Company had received a requisition under section 100(2) of the Companies Act, 2013 from a group of shareholders holding 10.69% of shares, requesting the Board to call for an Extraordinary General Meeting (EGM) to discuss matters including proceeding against the two BTAs i.e. the Business Transfer Agreement (BTA) dated 1 March 2021 to transfer its fertilizer plant at Goa and its associated businesses to Paradeep Phosphates Limited and BTA dated 31 March 2021 to transfer its assets and liabilities of its retail, speciality nutrient business (SPN) & allied, crop protection & care business (CPC), seeds and blended businesses to Zuari Farmhub Limited (ZFL) with effect from 31 March 2021, on a going concern basis under a slump sale. The EGM was called on 23 June 2021 by the Board of Directors through video conferencing/other audio visual means. However, since the requisite quorum was not present at the EGM, thereby the EGM of the Members of the Parent Company called by the requisitionists under section 100, was cancelled for want of quorum as stipulated under section 103(2) (b) of the Companies Act, 2013. Necessary filing in this regard have already been made by the Parent Company as required by the Regulations/statute. Further, subsequent to the year end 31 March 2021, the same group of shareholders have filed a petition in National Company Law Tribunal (NCLT), Mumbai for cancellation of these BTAs for which the Parent Company based on the legal opinion obtained believes that the petition, would not be tenable and does not have any impact on the BTAs. The petition is pending before NCLT, Mumbai.

53. In case of a subsidiary, the Subsidiary Company has been granted Eligibility Certificate by the Directorate of Industries, Government of Maharashtra vide letter No. JDI/PUNE/PSI-2007/EC-12/2012/732 dated 19 July 2012. As per the Eligibility Certificate, the Subsidiary Company is entitled to:

a) Electricity Duty exemption for a period of 15 years from the date of commercial production.

b) 25% refund of annual VAT and CST liability (after set-off) on sale of manufactured goods from the project.

In terms of the Indian Accounting Standard (Ind AS 20) "Accounting for Government Grants", the eligible incentive is considered as a capital grant and has been set-up as deferred income, 'being recognised in the statement of profit and loss over the life of the eligible fixed assets.

Incentive receivable in respect of VAT and CST liability aggregating INR 51.17 lakhs as at 31 March 2022 (31 March 2021 : INR 68.22) has been set up as deferred income and is being recognised in the statement of profit and loss on systematic basis over the life of the eligible fixed assets. During the year, INR 17.05 lakhs (31 March 2021 : INR 17.05 lakhs) has been credited to the statement of profit and loss.

Incentive in respect of electricity duty exemption is accounted for during the period as a reduction from the electricity charges (i.e. the electricity charges recognised in Note 26 are considered net of electricity duty as per payments made to the electricity board). Pursuant to business transfer agreement (BTA) executed on 31 March 2021 between the Parent Company and Zuari FarmHub Limited (ZFL), the deferred income had been transferred to ZFL (Refer Note 52).

54. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

55. Adjustment for events after approval of financial statements, for the year ended 31 March, 2021, of the Parent Company by the Board of Directors of the Parent Company in their meeting held on 28 May 2021

An addendum to the Business Transfer Agreement dated 1 March 2021 was executed between the Parent Company and PPL to (A) amend the long stop date from 30 June 2021 to 31 December 2021 under Clause 1.1 of the Business Transfer Agreement and further based on second addendum in BTA dated 30 December, 2021 long stop date has been extended to 30 June 2022. (B) amend clause 4.5.2 (a) of Business Transfer Agreement from 'All outstanding amounts under the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Seller prior to Completion Date, and the Seller shall deposit sufficient funds with the relevant member of the SBI Consortium to settle any non-fund based facility availed under the Working Capital Facility Agreement' to 'All outstanding amounts under the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Seller prior to or on Completion Date, and the Seller shall deposit sufficient funds with the relevant member of the SBI Consortium to settle any non-fund based facility availed under the Working Capital Facility Agreement'; and (C) to include, 'Further, in light of the extension of the Long Stop Date, the Parties agreed that the Purchaser shall provide necessary interim financial assistance to the Seller including financial assistance for energy improvement project of the Seller, in the form and manner as may be mutually acceptable to the Parties in writing, that the Seller may require to operate the Business prior to the Completion Date, and such financial assistance shall be adjusted towards the Purchase Consideration payable by the Purchaser under the Agreement'.

Pursuant to above addendum and commercial understanding between the Parent Company and PPL, the management of both the companies have decided that the Working Capital Facility Agreement in relation to any fund-based facility will be repaid and settled by the Parent Company prior to or on Completion Date and would not be assumed by PPL. The impact of the same has been considered in the current financial year and accordingly the short term borrowings of INR 44,846.18 lakhs as at 31 March 2022 has not been included as part of discontinued operation whereas, for the year ended 31 March 2021 INR 72,608.40 lakhs is included in short term borrowings of discontinued operation.

56. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) **The Struck off Company details**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Vaishak Shares Limited	Shares held by struck off company	60.00
Pushkar Financial Services Limited		10.00
Eastcoast Investments Limited		1,000.00
Ingita Financial Services Limited		1,000.00
Kothari & Sons (Nominees) Private Limited		1,000.00
New Ambadi Investments Private Limited		5,000.00
Naimnath Investments Private Limited		5,000.00
Usha Holdings Private Limited		500.00
Popular Stock And Share Services Private Limited		4,000.00
Bombay Trading Company Private Limited		4,000.00
P R Investments Limited		100.00
Florescent Securities Limited		100.00
Kothari Intergroup Limited		20.00
Alphine Rototech Private Limited	Trade Payables	3,49,965.00

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

57. Previous period/year figures have been regrouped/ re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

As per our report of even date
For **K. P. Rao & Co.**
Chartered Accountants
ICAI Firm's Registration No. 003135S

per **Prashanth S.**
Partner
Membership Number : 228407

Place of Signature: Bangalore
Date: 29 May 2022

For and on behalf of the Board of Directors of Zuari Agro Chemicals Limited

Nitin M. Kantak
Executive Director
DIN: 08029847

N. Suresh Krishnan
Director
DIN: 00021965

Raj Kumar Gupta
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary
Membership Number : A19257

Date: 29 May 2022

NOTES

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ZUARI AGRO CHEMICALS LTD. ZUARINAGAR, GOA - 403 726.