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Mundhwa, Pune - 411 036, India.
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DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

10th August, 2023

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

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

Dear Sir/ Madam,

Subject: Annual Report for the FY 2022-23 including notice of the 43rd Annual General Meeting

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we enclose herewith the following documents relating to the 43rd Annual General Meeting of the Company scheduled on **Friday, 1st September, 2023** at **11.00 a.m.** through Video Conferencing/ Other Audio-Visual Means (e-AGM):

1. Notice of the 43rd Annual General Meeting; and
2. Annual Report.

The aforesaid documents are also available on the website of the Company, i.e., www.dfpcl.com.

You are requested to take the same on your record.

For Deepak Fertilisers
And Petrochemicals Corporation Limited

GAURAV UMAKANT MUNOLI
Digitally signed by GAURAV UMAKANT MUNOLI
Date: 2023.08.10 19:04:03 +05'30'

Gaurav Munoli
Company Secretary

Encl.: As above

EXCEPTIONAL TODAY

EXCITING TOMORROW

ANNUAL REPORT 2022-23

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

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Standalone

Consolidated

EXCEPTIONAL TODAY. EXCITING TOMORROW.

While we built an exceptional today for DFPCL, we continue to invest in an exciting tomorrow.

WE ARE EXCEPTIONAL TODAY.

The word "exceptional" depicts our remarkable, financial and operational performance.
It encompasses our strengthened balance sheet; large-scale investment in Greenfield expansions; unlocking the potential of each business segment and creating strong independent strategic roadmaps for each of our business verticals within the larger Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) brand umbrella.

The targeted commissioning of our world-class state-of-the-art ammonia plant in H2 FY24, with the world's best technology, also catapults us in a different league of successful backward integration in line with "Make in India" drive.

"Exceptional" also signifies our operational excellence drive which is primarily focussed on production, cost optimisation, capacity utilisation and efficiency improvement. It also resonates with our focus and commitment at significantly improving customer experience, enhancing market share, and building a sustainable brand.

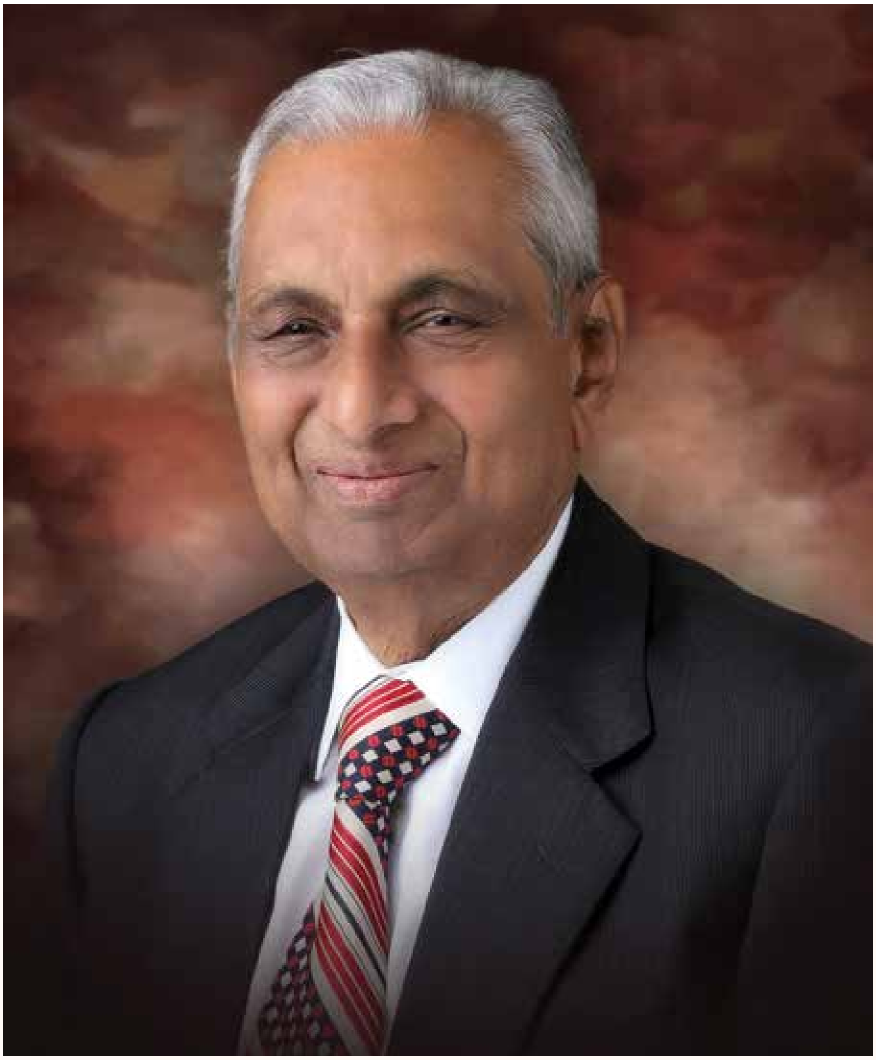
WE ALSO CONTINUE TO INVEST IN AN EXCITING TOMORROW.

What prepares us for "exciting" times ahead is our stringent focus on aspects that ensure we remain competitive while maintaining leadership position across all our business verticals.

Our excitement also builds up with upcoming capacity expansion projects, enabling us to be among the world's top players in ammonium nitrate and nitric acid segments.
With our continued thrust on value proposition, we are transitioning from a commoditised to a specialty business, from "customer" to "consumer-centric", and from volume-focus to value-focus.

Long-term growth evokes a sense of enthusiasm as it remains underpinned by the flexibility in product mix, headroom for additional capacities, low cost debottlenecking opportunities, and further capacity expansion potential.

As we progress with our transformation journey, consolidating our market position through value creation, we look forward to even more "exciting" times ahead, partnering in India's growth story.



Late Shri Chimanlal Khimchand Mehta

April 6, 1932 – July 3, 2023

Founder and Chairman Emeritus, Deepak Group

अविनाशि तु तद्विद्धि येन सर्वमिदं ततम् |
विनाशमव्ययस्यास्य न कश्चित्कर्तुमर्हति || 17 ||

Know that the all-pervading is indestructible.
The all-pervading consciousness and the imperishable soul can never be destroyed.
Chapter 2:17, Shrimad Bhagvad Gita

End of an Era!

It is with deepest sorrow and great sadness that we announce the passing away of our beloved Founder and Chairman Emeritus, Shri Chimanlal Khimchand Mehta, who left for heavenly abode on 3rd July, 2023.

A life so beautifully lived deserves to be remembered. A visionary leader, a nation-builder, a philanthropist, and a proud Indian. This is what best defines Mehta Sir, whose remarkable achievements left an indelible mark on the business world in India and the society at large.

Being a first generation entrepreneur, his journey of over six decades shows his determination, resilience, and unwavering commitment.

Born in April 1932 in a small village named Amreli in Gujarat, he developed an acumen in 'Trade' at a tender age of 16 years. From the earliest days of his career, he possessed an insatiable curiosity, an innate ability to see beyond the present, and a drive to create something extraordinary. In 1958-59, he started Deepak Trading Co. and within a short span, he made a mark for himself and was known as the 'Sulphur King' in the market.

With this success, in 1971, he started manufacturing activities by promoting Deepak Nitrite Limited which turned profitable in less than two years of commencing operations.

Later, in 1979, he promoted Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) for trading in merchant ammonia. DFPCL was the only company in those days to lay its own 42-km gas pipeline. In 1983, he commissioned the ammonia plant. In 1989, he drew up a plan to grow almost 8 times again and created history by having the Mahadhan public issue which was one of the largest at that time and added 2 lakh shareholders. In 1991, thereafter he commissioned a host of downstream products of Ammonia.

Mr. Mehta was easily approachable for all employees irrespective of their rank and also to the outsiders, who needed him. He was an extremely lovable person and highly regarded by one and all. Being a straightforward person, his relentless pursuit for perfection was matched only by his genuine care for the well-being of his employees, colleagues, and all stakeholders. He believed that success was not just measured in numbers and achievements, but also in the positive impact we could create in the lives of others.

Beyond his professional achievements, Mr. Mehta was a man of integrity, compassion, and humility. He never forgot his roots, and he constantly emphasised the importance of giving back to the community that nurtured him.

He set out to re-establish an end-to-end Animal Husbandry business in Amreli Dist., Gujarat. He created the largest programme for reduction in women and child mortality rate, working with 1,50,000 families in rural Gujarat. His work won several laurels, such as the FICCI Award at the hands of the then Honourable Prime Minister, Mr. I. K. Gujral in the year 1997 for Family Welfare; the CII Women Exemplary Award in 2009; the World Bank Awards for Innovative Projects in 2009; the best CSR Performance Award by FICCI in December 2012 and the 'Lifetime Achievement Award, by Indian Chemical Council in 2013.

Even during his later years, he continued to be an inspiring force. Many initiatives – whether in education or healthcare, continued to receive his support. At the same time, humility and simplicity have remained his forte. Mr. Mehta is a great role model for an entrepreneur who dares to dream big – be it in industry or in service towards the society.

A highly spiritual-oriented person, he practised meditation and unfailingly conducted his morning prayers every day over the last 50 years. No wonder, the noble soul reached the feet of the Almighty on Guru Poornima – a testament that he is an eternal Guru to everyone around him; and to the employees of Deepak Group who consider him as a fatherly figure.

"Thank you for being our guiding light, our mentor, and our source of inspiration. Your indomitable spirit will forever live on in our hearts, and your legacy will continue to inspire generations to come. Rest assured, your vision will remain alive, and we will carry the torch of your passion and commitment as we continue on the path you paved for us".

DFPCL – AT A GLANCE

GEARED TO DELIVER COMPELLING AND ENHANCED VALUE PROPOSITION

A strong foundation for value creation and sustained growth

With 40 years of deep-rooted knowledge base and a proven experience, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL) is today a leading producer of industrial chemicals, crop nutrition, and mining chemicals. Our business segments are geared up to enhance value and solutions quotient for our end consumers with focus on sustained growth.

Strongly aligned with India's growth story by serving critical sectors

Headquartered in Pune, Maharashtra, and strategically located in the agricultural and industrial heartland of India, our multi-product and multi-segment portfolio caters to a wide range of core segments of the Indian economy, thereby contributing to the growth of the nation.

Innovating and partnering to deliver customised and sustainable value

We are uniquely positioned to deliver value through our unmatched expertise in specialty products and customised solutions, thus becoming a preferred and trusted partner in critical sectors of the economy such as agriculture, chemicals, pharmaceuticals, mining and infrastructure. With our robust capacity and integrated supply chain, we remain poised to meet the rising demand and serving the B2B and B2C segments.

Moving from commodity-oriented to branded specialty

Driven by the motto to develop products and solutions that deliver holistic value and improve customer satisfaction, we are migrating from 'products' to 'solutions', and from 'commodity' to 'specialty', thereby catering to specific requirements of our customers and becoming more consumer and solutions-oriented.

Steering through the transformation journey

Aligned with India's growth story	Healthy customer connect across business segments through value partnering	Focus on enhancing shareholder returns	Migrating from commodity-oriented to value-added specialty solutions
Market leadership in respective business verticals	Demonstrated track record of project execution	Strengthening the value chain through backward integration	Integrated planned operations to leverage cost efficiencies

OUR LEADERSHIP POSITION & KEY SECTORS SERVED

01 Largest manufacturer of Nitric Acid in South East Asia

02 Leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India

03 Only manufacturer of prilled TAN solids in India

04 Only manufacturer of medical grade AN in India

05 Only manufacturer of NP Prill 24:24:0 fertiliser in India

06 Largest manufacturer of Bentonite Sulphur in India

07 Market leader in specialty and water soluble fertilisers in India

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

Gaining a unique position of strength through Key Sectors Served

INDUSTRIAL CHEMICALS	TECHNICAL AMMONIUM NITRATE	CROP NUTRITION BUSINESS	VARE
• Pharmaceuticals • Nitro Aromatics • Paints & Coatings • Steel • Solar • Adhesives • Explosives • Dyes & Pigments • Agrochemicals • Cosmetics • Flavours & Fragrances • Health & Hygiene	• Mining • Infrastructure • Explosives	• Agriculture • Horticulture	• Home Makers • Interior Solution Seekers • Architects & Interior Designers • Food & Entertainment Patrons • Art & Culture Enthusiasts


SECTORAL REVENUE (%)
2021-22
34.54%
Technical Ammonium Nitrate
40.07%
Crop Nutrition Business
25.16%
Industrial Chemicals
0.23%
VARE & Others
2022-23
37.79%
Technical Ammonium Nitrate
43.08%
Crop Nutrition Business
18.95%
Industrial Chemicals
0.18%
VARE & Others

BUSINESS INITIATIVES

IC sales person explaining to hospital staff the importance of using Cororid Disinfection range of products for better infection control

INDUSTRIAL CHEMICALS

- The IC business strived to garner a higher share of premium pharma grade IPA customers by maximising conversion into specialty grades
- We expanded our geographic presence with 150+ hospitals at a pan-India level for hand sanitiser and disinfectant products. Currently, 10 products are offered covering all professional and general disinfection needs, which are microbiologically tested and certified for keeping pathogens at bay
- Solar Grade Nitric Acid (SGNA) was launched in FY23 and received positive feedback from customers. SGNA capacity expansion through capex investment in Taloja is planned in FY24
- Multi-stage commercial trials of Steel grade Nitric Acid and pharma grade Pure DIPE (Di-isopropyl Ether) were successfully completed in FY23 and will be commercially launched in FY24
- PUROSOLV brand offering Pharma grade IPA, Methanol, Acetone and MDC is being launched in Q2 FY24
- Domestic as well as International market development activities are in process for small packs of IPA Pharma, High Performance Liquid Chromatography (HPLC), Lab Reagent (LR) grade and Nitric Acid
- The IC business is also looking at several other industry-specific opportunities to develop specialty products, including traditional and new-age industries

TECHNICAL AMMONIUM NITRATE

TAN Technical Services team seen solving complex challenges on bench and helping unlock value across the full value chain

- TAN plant at Gopalpur, Odisha (East Coast of India) is expected to be commissioned by H2 FY26, with a capacity of 376 KTPA
- Commissioned Phase-1 of debottlenecking with an incremental capacity of 50 KTPA enhancing existing capacity to 537 KTPA. Phase-2 of the debottlenecking is currently in process (commissioning by H2 of FY24)
- Total TAN capacity thus will grow from 537 KTPA to 963 KTPA over next 3 years
- Executed 5 Total Cost of Ownership (TCO) productivity improvement projects with consumers in Infrastructure, Non-Coal Mining and Coal Mining segments
- Secured its first solution-based productivity improvement contract in a prestigious infrastructure project of national repute
- Secured its first long-term Down-The-Hole ANFO supply contract with a private sector coal mining company through a value-based approach
- Cementing its position further as a leading mining solutions provider, the TAN Business participated in:
  - 1st National Coal Conclave and Exhibition organised by the Ministry of Coal
  - A Global Mining Summit and Indian Mining & Machinery Exhibition organised by CII
  - 4th Annual India Coal Conference, under the patronage of Ministry of Coal & Coal India
  - A Panel Discussion in National Conference on Productivity and Sustainability, organised by the World Conference of Productivity Science (India)
  - An International Conference on Opencast Mining Technology and Sustainability, organised by Northern Coalfields Limited, besides other technical panel discussions

CROP NUTRITION BUSINESS

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

- 100% Growth in "Croptek" volumes – rising from 46,000 MT in FY22 to 1 Lakh MT in FY23
- Launch of Croptek in Cotton & Groundnut, and enhancing farmers' experience in Onion, Sugarcane and Maize
- Received the approval for Croptek Pulse grade in Fertiliser Control Order (FCO) authority
- Established the Smartek product portfolio, clocking sales of over 1.4 Million MT since launch
- Launched Solutek Pomegranate grades and established Solutek Grapes and Tomato grades
- Building a robust pipeline of innovative products backed by strong R&D, with a focus on soil health, balance nutrition and enhancing efficiency
- Signed an MoU with ADT Baramati for Applied Research
- Engaging farmers through innovative digital gamification campaigns. During the year, conducted campaigns in Cotton and Onion. Connected with 56 lakh farmers and generated lead of 1.29 lakh farmers
- Conducted a 360-degree Integrated Crop Campaign through a mix of mass media, branding, digital and social media and BTL activities carried out on key crops in the targeted geographies to enable a crop solution drive
- Mahadhan crossed more than 6 lakh followers on its Facebook page in FY23, adding more than 1.45 lakh followers

VALUE-ADDED REAL ESTATE

Home Interior Solutions and start-to-end execution solutions by Creaticity Branded Interiors

- The leasing initiatives of Creaticity were consolidated during the year to retain over 80% occupancy with addition/replacement of new brands and occupants of nearly 60,000 sq. ft. Furniture retailers such as Tangent, Evok, Design Café, Qarpentri, Shirke and Stosa Kitchens, Home Town, Nirmitee were onboarded along with HDFC in the office segment and Urban banquets in F&B space
- The transformative shift from pure space enablers to complete solutions providers has been accelerated and the unique value proposition of being the "Single source of home interior solutions by providing complete advisory and support on space design, product selection and brand choice through meaningful knowledge sharing and start-to-end execution" is being aptly reinforced with our new concept – Creaticity Branded Interiors, which is slated to be formally launched in Q1 of FY24 as customised and full home interior solutions for customers, architects, interior designers and real estate developers
- Technology is being deployed increasingly for setting up a designer / shopper expert platform for knowledge sharing and a digital product library architecture for kick-starting the 'design-led' ecosystem, targeted to achieve the value proposition

MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR

RIDING ON VOLATILITY

S. C. Mehta
Chairman & Managing Director

Dear Friends,

FY23 turned out to be one of the most volatile years on record as global uncertainties took us all on a rollercoaster ride. For us, at DFPCL, we saw an unprecedented hike in every single of our raw material prices by 60-80% which led to an equally unprecedented hike in the pricing of the finished product.

I am delighted to share that DFPCL closed FY23 with the highest ever profits and revenue. Our revenue jumped by 47% and crossed the ₹11,000 crore mark. Our profits jumped by 78% and crossed ₹1,000 crore to touch ₹1,221 crore. Enthused by the performance, the Board has recommended a 100% dividend for the coming year.

"VOLATILITY CAN BE A SOURCE OF INNOVATION AND GROWTH. THOSE WHO NAVIGATE THROUGH UNCERTAINTY WITH AGILITY AND RESILIENCE ARE THE ONES WHO THRIVE".

~ Indra Nooyi, Former CEO, PepsiCo

...Our Volatility Insights

As we looked at the unprecedented volatility and analysed the deeper undercurrents, we saw the following patterns emerge:

- **There was NO DEMAND DESTRUCTION**

  Despite the huge hikes in all our finished products to aid the pass-through emerging from the raw material price hikes, there was no impact on the demand in all our three sectors: namely Fertilisers, Mining Chemicals and Industrial / Pharma Chemicals.

  The volatility actually unfolded the resilience and robustness of our end consumer segments. It left behind an insight of possibilities of new and higher finished product price bands being possible if we can provide higher value propositions.

- **Excellent Alignment with India Growth story**

  At the root of the robust demand drive, we saw a validation of excellent alignment with the India Growth story that our businesses enjoy.

  Along with the India Growth came the need for more coal, cement, infrastructure. Our Mining Chemicals beautifully align with these needs and will continue to enjoy good tailwinds as India grows.

  As Indian GDP climbs up, the mid-income group would grow from strength to strength with growing demand for high-value food, sugar, textiles, etc. Our Crop Nutrition Business drivers namely: sugarcane, cotton and horticulture crops would continue to parallelly grow from strength to strength.

  Lastly, our Building block Chemicals and Pharma Chemicals similarly receive a strong tailwind emerging from the growing domestic needs as well as the China Plus shift into India.

- **Strong Foundation of Systems & Processes**

  Despite all the volatility, we could ride on it and emerge stronger. Thanks to the solid foundation of sourcing, manufacturing, distribution, customer connect, systems and processes that we have painfully invested into, we could deliver even in the face of various uncertainties and vagaries that we saw during the year. This inherent strength built over decades will continue to provide us a strong foundation for robust performance.

"THE ONLY WAY TO RIDE THE WAVE OF VOLATILITY IS TO HAVE A SOLID FOUNDATION".

~ Chris Chirnside

From a strategic perspective, a crucial initiative to further strengthen our foundation is the backward integration into our raw material, Ammonia. Our 5,00,000 MTPA capacity world-class Ammonia Plant, soon to become operational, will provide a strong risk mitigator support for all our downstream business sectors, especially with regard to the risks related to imports of ammonia and congestion at the ports.

Based on the world's best KBR technology, we have invested close to ₹ 45 billion in this mega greenfield project. The size and scale with the global standards of execution and quality controls promises to make it an industry benchmark.

Ammonia being the key raw material for all our three major sectors (industrial chemicals, fertilisers, and mining chemicals), this backward integration will provide a value-chain capture besides bringing a risk-mitigating stability to the downstream.

Besides the availability-stability, the proximity to our downstream complex, will reduce the freight costs and help us significantly reduce our carbon footprint while safeguarding us against any unforeseen long-distance transportation and supply perils.

From a larger perspective, our Ammonia Project will play an invaluable role in the import substitution / 'Aatmanirbhar Bharat Abhiyaan' and will result in over ₹ 20,000 crore forex savings over the next 10 years for our country.

"VOLATILITY IS NOT A THREAT, BUT AN OPPORTUNITY TO REINVENT, ADAPT, AND EXCEL."

~ Elon Musk, CEO, Tesla

In the midst of grappling with a volatile world, we have continued our aggressive drive in all three businesses to move from a commodity orientation to a specialty orientation, offering holistic solutions for the end consumers.

This strategic orientation has driven us to :

a. Deeply segment and understand the end consumer markets

b. Tweak our Manufacturing and Services basket to provide value to each segment

c. Move from competitive pricing to value pricing

In the Crop Nutrition Business, our focus is now ingrained on creating crop-specific nutrient baskets versus commodity NPKs and instead of focussing on the dealers channel, we are focussing more and more directly on the farmers and their needs... PULL v/s PUSH. This drive has helped us create a new discerning farmer segment and help deliver benefits to approximately 7 million farmers through the farmer connect programmes. A rise in knowledgeable and repeat farmer-customers is helping us build a unique brand following.

Similarly, for the TAN business, we continue to reinforce our value proposition in the Mining sector with customised, technology-based, holistic offerings much beyond a simple product supply. We have begun executing more numbers of TCO (Total Cost of Ownership) projects that establish us as a productivity partner. We now work very closely with the end consumers (mining companies and infrastructure projects) to first baseline and benchmark their operating cost, and then value-add technology together with specialised differentiated explosive products. That way, we commit ourselves to cost and productivity improvement in the mines and infrastructure projects through a win-win formula.

THE GREATEST DANGER IN TIMES OF TURBULENCE IS NOT THE TURBULENCE, IT IS TO ACT WITH YESTERDAY'S LOGIC."

~ Peter Drucker

To expect "yesterday's" approach to deliver tomorrow's needs in a sustained manner could be impractical and not prudent.

In order for our Strategic Transformation shift to deliver sustained results, we have effected transformational changes on all our foundational footings, namely :

- Structure
- Systems
- People
- Work Culture

As you all are well aware, we have begun the final step of unwinding and demerging each business into a separate corporate entity. This will ensure single-minded focus right from the Board to the lowest level in the team to become committed to delivering the Vision and Mission of serving the specific consumer segment needs. We expect the NCLT process of demerging the erstwhile entities into clean and focussed Business-wise Corporate entities to be completed by the second quarter of FY24. This step will deliver a distinct structure that follows our strategy.

The next driver we are working hard on is the digitisation of our end consumer orientation, right from predicting consumer needs, algorithms to help crystallise demand planning, IT-driven Sales & Operations Planning, a GPRS-tracked Supply Chain and a dashboard-based Management Control System.

People Selection, Competency-building, Reward and Recognition Systems and Employee Engagement drivers are well underway which are dovetailed to the strategy of the business to be delivered.

Passionately connecting with the excitement in our journey going forward, our marquee Institution shareholding has trebled in the last few years crossing 20% adding to our family of shareholders nearing 2 lakh in numbers.

I take this opportunity to thank the whole management team for their enthusiasm and tireless commitment, without which the results of this year would not have been possible nor would our vision going forward, come alive.

I also take this opportunity to thank our shareholders, bankers, business associates and customers. Most importantly, my gratitude to the esteemed members of our Board for their invaluable guidance and support.

We will continue to be inspired by volatility to forge ahead, creatively.

S. C. Mehta

Smehta

Chairman & Managing Director

INVESTOR RELATIONS Q&A WITH THE CHIEF FINANCIAL OFFICER

Amitabh Bhargava
President – Finance & CFO

FY23 HAS BEEN A LANDMARK YEAR FOR THE COMPANY AS IT REPORTED AN OUTSTANDING PERFORMANCE AND RAISED THE BAR WITH RECORD-BREAKING PROFITABILITY. THE YEAR ENDED WITH HIGHEST-EVER PROFITS AND REVENUES, CREATING A HISTORY FOR ITSELF

Q You have clocked strong growth in FY23, driven by your Chemicals and Fertilisers segment. What is the split between both these segments? Also, can you share insights on long-term growth drivers for these business segments?

A FY23 has been a landmark year for the Company as it reported an outstanding performance and raised the bar with record-breaking profitability. The year ended with highest-ever profits and revenues, creating a history for itself.
PAT increased to ₹ 1,221 crore, while Revenues from Operations stood at ₹ 11,301 crore. It is worth noting that this record-breaking performance has been despite the adverse movement of key raw material prices during the year.

During the year under review, the Chemicals segment contributed ~85% of segment profits. Revenue of Chemicals business grew 40% year-on-year, while margins increased from 25% in FY22 to 31% in FY23. Fertilisers segment revenues grew 59% YoY with segment margins of 7%. The Company reported Net Debt of ₹ 2,518 crore as of 31st March, 2023, with a Net Debt / Equity of 0.48x (FY22: 0.35x).

LONG-TERM GROWTH DRIVERS:

Our continuous endeavour to transform from a Commodity to Specialty player in each of our product segment and the available capacity across plants provides us headroom for the future growth potential. The debottlenecking of TAN capacity and NPK capacity through process improvement of the existing plants at Taloja, along with capacity enhancement and backward integration initiatives (i.e., Ammonia and TAN Greenfield expansions) are expected to help us with long-term growth. Further, we are also focussing on strengthening our balance sheet, upgrading the credit rating, besides also generating strong cash flows year-on-year for enhanced growth.

Q What is your expectations on mid-term to long-term growth prospects for the Nitric Acid business?

A The demand for Nitric Acid in India is projected to witness a healthy 6-8% CAGR till FY33. The growing application of nitric acid in nitration process in Nitro – Aromatic segment, steel, pharmaceuticals and the explosives industry, as well as undercurrents developing from the 'China Plus One' trend in the chemical industry are projected to boost its demand in medium to long term. Demand and pricing of Dilute Nitric Acid (DNA) and Concentrated Nitric Acid (CNA) is expected to remain stable in the coming months.

OUR CONTINUOUS ENDEAVOUR TO TRANSFORM FROM A COMMODITY TO SPECIALTY PLAYER IN EACH OF OUR PRODUCT SEGMENT AND THE AVAILABLE CAPACITY ACROSS PLANTS PROVIDES US HEADROOM FOR THE FUTURE GROWTH POTENTIAL

DFPCL has a dominant position in the Indian nitric acid business, holding 45+% market share. Nitric Acid is used in Fertilisers and Technical Ammonium Nitrate (TAN) business and is also used in other industrial applications as reagents. Growth prospects continue to be promising and our major customers are not only leading the way in import substitution, but also competing well in the export markets. We remain committed towards facilitating our customers to achieve their goals. As an outcome of this commitment, we have signed a long-term Nitric Acid supply agreement with Aarti Industries, one of India's leading players in Nitroaromatics.

Our strategic shift of "commodity to specialty" is showing positive results in Nitric Acid segment as well. In FY23, we successfully launched solar grade nitric acid, a premium specialty product, which has received positive response from solar cell manufacturers with multiple repeat orders. Our brownfield facility at Dahej is expected to lead to further opportunities for cost-effective capacity enhancements.

PAT
₹ 1,221 Crore

Revenues from Operations
₹ 11,301 Crore

Net Debt / Equity
0.48x

Q Talking about your TAN business in particular, how is the Company supporting the Government's initiative of Make in India and Aatmanirbhar Bharat?

A DFPCL is the largest TAN producer and the only manufacturer of Solid TAN in India. It is also the only domestic producer of Low-Density Ammonium Nitrate (LDAN) for its direct use as ANFO explosives. Our manufacturing facility at Taloja (Western India) and Srikakulam (Eastern India), with a country-wide distribution network, enables us to cater to the needs of our customers and end-consumers. In line with supporting the government's initiative of Make in India and Aatmanirbhar Bharat Agenda, we have taken the following initiatives:

- Brownfield expansion of 50 KTPA of TAN production (implemented in FY 2022-23)
- Brownfield expansion of additional 50 KTPA of TAN production (planned for FY 2023-24)
- The Company has also announced a Greenfield project of TAN in Gopalpur, Odisha with the rationale of the current plants running at peak capacity and demand of TAN growing, driven by growth in power and infrastructure needs of the country. The project with 376 KTPA TAN capacity will augment our domestic production capacity and also help in achieving import substitution
- Additionally, the Company is also in the process of commissioning a Greenfield Ammonia project with 500 KTPA capacity. Ammonia is a key raw material for all three of our businesses, Industrial Chemicals (Nitric Acids), Mining Chemicals (TAN) and Crop Nutrition (Fertilisers). Hence, this backward integration will ensure reliability and security of supplies to customers by ensuring dedicated and reliable Ammonia supply

Moreover, this project is also expected to lead to savings in logistics cost and import duty. Also, notably, since the new Ammonia plant is across the road from the existing downstream facilities, transfer of Ammonia through a pipeline instead of road tanker will also lead to positive impact on the environment.

> OUR STRATEGIC SHIFT OF "COMMODITY TO SPECIALTY" IS SHOWING POSITIVE RESULTS IN NITRIC ACID SEGMENT AS WELL. IN FY23, WE SUCCESSFULLY LAUNCHED SOLAR GRADE NITRIC ACID, A PREMIUM SPECIALTY PRODUCT, WHICH HAS RECEIVED POSITIVE RESPONSE FROM SOLAR CELL MANUFACTURERS WITH MULTIPLE REPEAT ORDERS

DFPCL has a dominant position in the Indian nitric acid business, holding 45+% market share.

45+%

Q What is the purpose or rationale of Corporate Restructuring at DFPCL, and how will this benefit your existing shareholders? What is the current status of this restructuring exercise?

A The focus of TAN and CNB business has shifted from "commodity to specialty", with an enhanced emphasis on solutions being offered. Both the businesses require independent growth plans and strategies. At DFPCL, we are unlocking the true potential of each business vertical with a focussed strategy, management bandwidth and attention to execute the respective vision of every business segment.

The reorganisation of TAN and CNB Business in separate corporate entities will also provide a clear and better understanding of the dynamics of each of these businesses as separate from each other and Industrial Chemical business of DFPCL. Our existing shareholders will benefit from continued participation in our growth-oriented business operations, as we maintain a renewed focus on growing each business vertical uniquely and strategically.

The reorganisation will also provide a higher degree of flexibility to evaluate independent business opportunities and attract the right set of investors, strategic partners, lenders and other stakeholders.

PROCESS STATUS

Having announced the demerger of Mining Chemicals in December 2022, the composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) in January 2023. The name of Smartchem Technologies Limited, a material subsidiary of the Company, has been changed to Mahadhan AgriTech Limited ('MAL') w.e.f. 20th April, 2023. The NCLT process is expected to be completed in the second half of the calendar year 2023.

HAVING ANNOUNCED THE DEMERGER OF MINING CHEMICALS IN DECEMBER 2022, THE COMPOSITE SCHEME OF ARRANGEMENT HAS BEEN ADMITTED WITH NATIONAL COMPANY LAW TRIBUNAL (NCLT) IN JANUARY 2023

Q Can you share insights on your Company's initiatives towards EHS & Sustainability? Also, how do you communicate this to your stakeholders?

A DFPCL accords due importance to Environmental, Health, and Safety (EHS) & Sustainability in its day-to-day operations. In FY23, our sustainability initiatives and programmes focussed on minimising environmental impact, while ensuring the health and safety of our employees and communities near the area of operations. We ensure that the highest standards of health and safety are maintained at all times across all our plants. Further, several initiatives have been implemented to improve our safety culture, including our training programmes, safety audits, and hazard identification programmes.

We shall remain committed to further enhancing our EHS & Sustainability initiatives, including the use of technologies, to improve environmental monitoring, recognising the threat of climate change, and understanding the need to curb greenhouse emissions. We have taken proactive measures beyond regulatory obligations to invest in abatement technologies in our Nitric Acid plants.

EHS and Sustainability are of prime importance to us, and we are continuously striving for excellence in this area. Aligning with the UN Sustainable Development Goals, we are also working on implementing energy-efficient technologies, renewable energy, water conservation and waste reduction. As a part of Extended Producer Responsibility (EPR), the Company focusses on responsible plastic waste management across the value chain. To foster a strong safety culture and ensure the health and well-being of all our employees, we continue to make investments in training and awareness campaigns.

We are also committed to communicating the ESG performance to our stakeholders in a transparent and accessible manner. The online ESG profile platform on our website provides our stakeholders with streamlined information about our ESG performance. Furthermore, we are also publishing an annual Business Responsibility and Sustainability Report (BRSR) this year, which meticulously highlights our progress in sustainability initiatives and demonstrates our commitment towards creating a positive impact on the society and the environment.

WE SHALL REMAIN COMMITTED TO FURTHER ENHANCING OUR EHS & SUSTAINABILITY INITIATIVES, INCLUDING THE USE OF TECHNOLOGIES, TO IMPROVE ENVIRONMENTAL MONITORING, RECOGNISING THE THREAT OF CLIMATE CHANGE, AND UNDERSTANDING THE NEED TO CURB GREENHOUSE EMISSIONS

STAKEHOLDER ENGAGEMENT

Stakeholder engagement, through ongoing communication, listening, and collaboration, fosters connections, trust, confidence, and buy-in required to efficiently drive the desired objective, proactively considering the needs of all stakeholders. It enables effective stakeholder relationship management and contributes to the Company's commitment to transparency, accountability, sustainable growth, and creating value for all stakeholders.

Plant visits for investors arranged in December 2022 and February 2023 received good participation

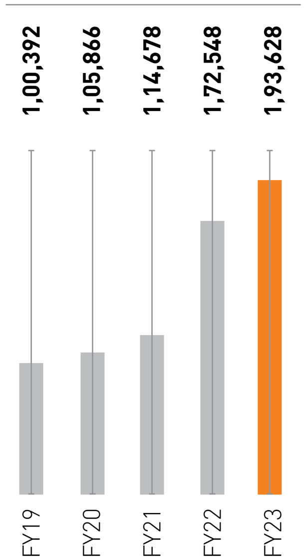
Mr. S.C. Mehta, Chairman & Managing Director, addressing the AGM

SHAREHOLDERS

Our focus on investor relations helps foster a strong relationship with shareholders. We also remain committed to keep them informed and update them on our progress. We are delivering value to all our shareholders, creating a sustainable business model and building a strong, resilient company that contributes positively to the society. In addition, we also strengthened our relationship with the investor and analyst community through virtual investor meetings, plant visits and international roadshows. DFPCL has launched an online ESG (Environmental, Social, and Governance) profile platform on Company website, which aims to provide accessible and streamlined ESG information to all stakeholders.

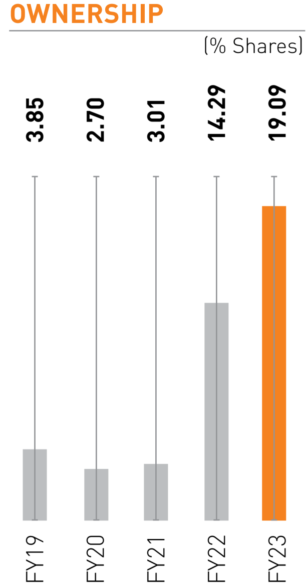
Over the past five years, we have seen a significant growth in our shareholder base. As of March 2023, the number of shareholders increased to 1,93,628 from 1,00,392 in March 2019. Dividend Per Share also increased from ₹ 3 per share in FY19 to ₹ 10 in FY23.

INCREASE IN NUMBER OF SHAREHOLDERS



(As of 31st March)

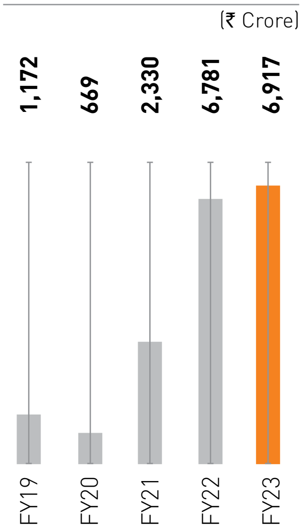
RISE IN FOREIGN INSTITUTIONAL OWNERSHIP



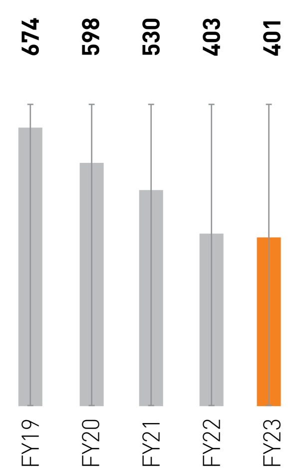
SHAREHOLDING OF OUR TOP 10 INSTITUTIONAL INVESTORS *(As of 5th May, 2023)*

	(in%)
Smallcap World Fund Inc	**4.17**
International Finance Corporation	**3.86**
Vanguard	**2.01**
BNP Paribas Arbitrage ODI	**1.57**
Government Pension Fund Global	**1.34**
Axis Mutual Fund	**1.29**
Cassini Partners, LP managed by Habrok Capital Management	**0.84**
Ishares Care	**0.66**
DFA Investment Dimensions Group Inc.	**0.61**
Aequitas Equity	**0.60**

MARKET CAP



DFPCL'S NSE RANKING JUMPS FROM 674 TO 401



(As of 31st March)

INCREASING SHAREHOLDER WEALTH

From a Market Cap of 1,172 crore in March 2019, we have seen a remarkable growth in our market value, with our Market Cap increasing to 6,917 crore in March 2023. The shareholder base of our Company is changing. We are pleased to report that Foreign Institutional Investment (FII) in the Company has increased from 3.85% in March 2019 to 19.09% in March 2023 – a clear testament to our strong fundamentals, consistent growth and investor-friendly policies. The increase in Foreign Institutional Investors highlights the growing confidence of international investors in the business and the Indian capital markets.

JUMP IN NSE RANKING

Our NSE's ranking in terms of market capitalisation jumped from 674 in FY19 to 401 in FY23. This improved ranking determines the faith and belief of our shareholders in the strategic roadmap and the transformation growth journey undertaken by the Company. We have diligently executed our business plans, made prudent investments and maintained a customer-centric approach to achieve the key milestone.

MEDIA

Media is an important stakeholder for DFPCL, playing a vital role in reaching out to our desired audience and building goodwill for the Company. Developing and maintaining positive media relations allows us to have a clear, trusted, and consistent voice in the public arena, We, at DFPCL, have been effectively leveraging media to enhance our brand image and communication levels across various stakeholders from time-to-time.

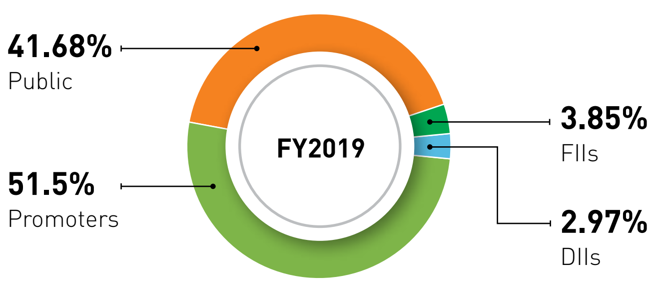
DFPCL WINS AWARD FOR CAPITAL MARKET INTERACTIONS IN ASIA PACIFIC (CHEMICAL, OIL & GAS)

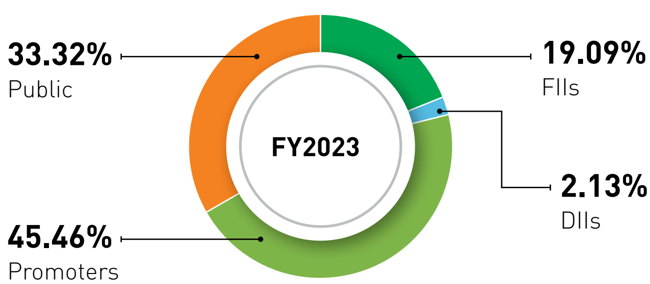
DFPCL Ranked Third under 'Small & Mid Cap' in Asia Pacific:

- 'Best Investor Relations Program' category
- Company Board of Directors' category
- Overall ESG category

Mr. Deepak Balwani, Associate Vice President – Investor Relations was also ranked Third under 'Rest of Asia' as 'Best Investor Relations Professional' and ranked second under 'Small & Mid Cap' for 'Best Investor Relations Professional'.

CHANGE IN SHAREHOLDING PATTERN (%)



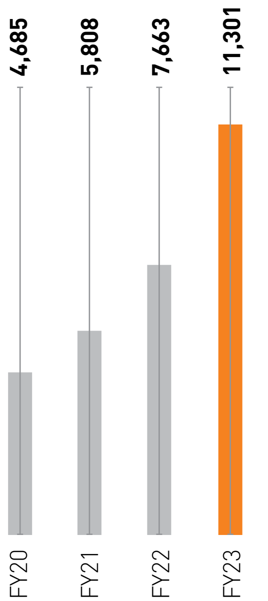


SHIELDING SHAREHOLDER RETURNS

Financial Highlights - Consolidated

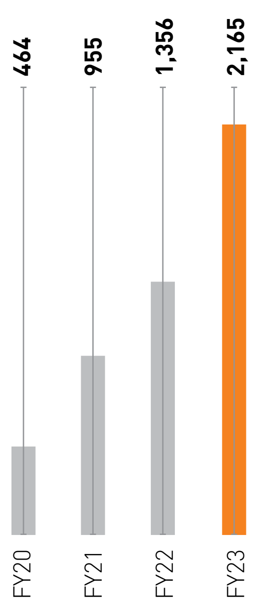
REVENUE FROM OPERATIONS

(₹ in Crore)



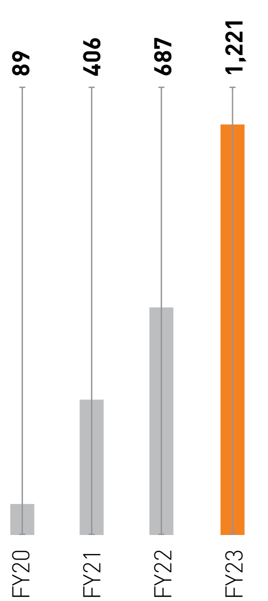
OPERATING EBITDA

(₹ in Crore)



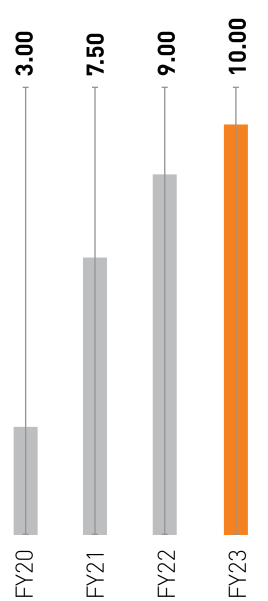
PROFIT AFTER TAX

(₹ in Crore)



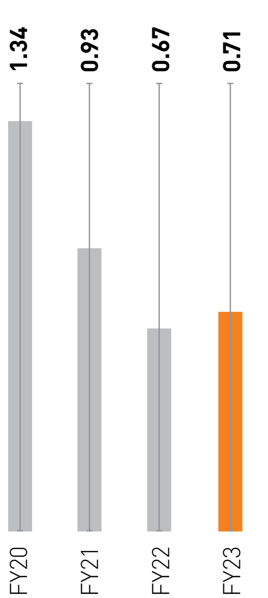
DIVIDEND

(₹ / share)



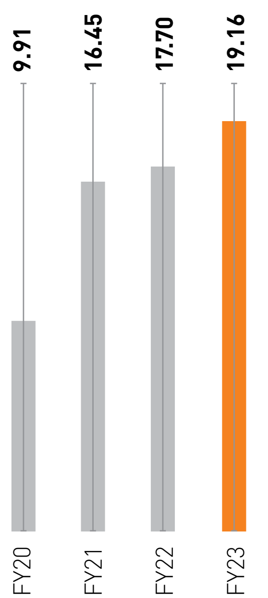
GROSS DEBT TO EQUITY

(x)



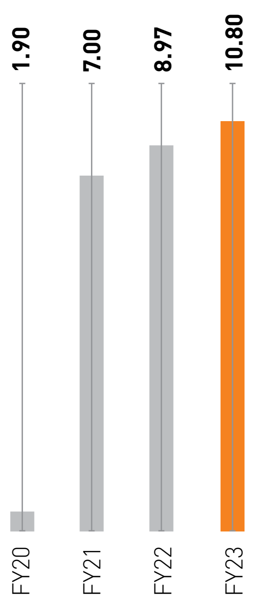
EBITDA MARGIN

(%)



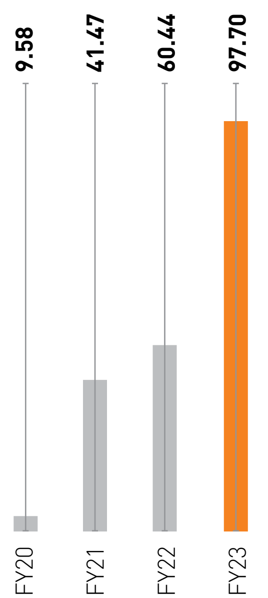
PAT MARGIN

(%)



EPS

(₹)



CORE PRODUCTS

Industrial Chemicals (IC)

- Concentrated Nitric Acid
- Weak Nitric Acid
- Strong Nitric Acid
- Iso Propyl Alcohol
- Methanol
- Liquid CO_2
- Ammonia

Crop Nutrition Business (CNB)

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

Technical Ammonium Nitrate (TAN)

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

CAPTURING FURTHER SCALE AND STRENGTH

Commissioning the world scale 5,00,000 MTPA Ammonia Greenfield Plant

In terms of freight economics, Deepak Fertilisers will save anywhere close to

$75-$80/MT

enhancing group level margins

"Ammonia is a key ingredient and a critical raw material for each of our business segments. The commissioning of our new 0.5 million MT/year ammonia plant with world-class energy-efficient technology with lowest cost, will serve majority of our needs, mitigating price volatility and global vagaries. This backward integration project will enable substantial forex savings through import substitution, besides beautifully aligning us with the India growth story and China-plus one strategy".

Sailesh C. Mehta, Chairman & Managing Director

GROWING NEED FOR AMMONIA

Ammonia, the nitrogen and hydrogen compound, has wide applications in fertilisers, mining, pharma and industrial chemicals. It is a key raw material in the production of Technical Ammonium Nitrate (TAN), ANP/NPK Fertilisers and Nitric Acid.

ALIGNING WITH INDIA'S GROWTH STORY

Ultra Mega Project, supporting GOI's Aatmanirbhar Bharat Abhiyaan

Resulting in forex saving of $ 2.5 billion in 10 years

Mitigating risks for all business segments

World-class Energy-efficient KBR KRES technology

Awarded the Gold award by the prestigious "Royal Society for the Prevention of Accidents (RoSPA)" for its outstanding Health and Safety performance during the project construction phase

India has been a net importer of ammonia for fertilisers and other nitrogenous product manufacturing. With more than 2 million tonnes annual imports, India is the second-largest ammonia importer globally. Given the country's increasing fertiliser demand and growing need of chemicals, there has been a consistent need of large-scale ammonia capacity addition.

BACKWARD INTEGRATION

DFPCL's current ammonia requirement is about 1,600 MTPD of which 80% was being met through bought out ammonia and balance by existing ammonia plant of capacity 390 MTPD. With ongoing debottlenecking and planned capacity expansions for some of the downstream products, the total ammonia requirement for the Company is expected to exceed 2,000 MTPD by FY 2025-26.

While getting ammonia from the world markets is not a constraint, the ammonia prices have always been the concern; especially being a commodity, its prices have wide variation from US$ 160-170 per MT to US$ 700 - 800 per MT on FOB Middle East basis. This kind of volatility in ammonia prices lends volatility to downstream businesses; particularly for DFPCL, as its dependence on ammonia is critical. Further, import of ammonia needs extensive logistics management viz. management of ammonia tank at JNPT and ensuring safe movement of 60,000 to 70,000 trucks per annum to Taloja. The Taloja manufacturing complex is well established with respect to natural gas pipeline connectivity which is the key raw material for ammonia manufacturing.

In view of this, it was logical and prudent to have a "backward integration" by investing into a global scale green field ammonia manufacturing project. The 500 KTPA plant is mechanically completed and have attained the RFSU milestone. The plant is currently under the production trial runs and stabilization. The commercial production is expected to commence in Q2 FY24. With this, our total ammonia production capability will stand enhanced to almost 629 KTPA.

Almost entire quantity of the produced ammonia at the newly commissioned plant will be used for captive consumption, leading to zero offtake risk and securing the key raw material for its downstream plants.

FACILITATING IMPORT SAVINGS

As of now, ammonia is imported in ocean vessels from the Middle East to JNPT Port, Mumbai, from where it is transferred by road to the manufacturing plant in Taloja through tankers. The plant will bring about ₹ 20,000 crore [i.e. about $ 2.5 billion] worth of import substitution over the next 10 years.

Piped ammonia supplied through the new plant will avoid storage facility and its management at JNPT and the cumbersome tanker movement from port to plant, resulting in reduction of ground-level pollution and significant drop in the carbon footprint. There would also be a freight saving to the tune of US$ 75-80 per tonne besides also saving on local logistics cost, thus improving the consolidated margins.

ULTRA MEGA PROJECT

The large-scale ammonia plant is equipped with the most-proven "KBR KRES technology". The project was executed on EPC basis by "M/s Toyo Engineering", who has the largest experience in executing KBR technology Ammonia Plants globally. Completion of a world scale ammonia plant in less than 28 months amidst the pandemic and post pandemic uncertain environment, not only validates our unwavering commitment to execution excellence and safety but also demonstrates our resilience and ability to overcome challenges while boldly progressing ahead with our vision and strategy.

The total capex investment for this project was about ₹ 45 billion and it has been accorded an "Ultra Mega Project" Status by the State Government and is thus eligible for SGST and other incentives.

The project has been constructed with the utmost care for health, environment and safety norms and has clocked more than 15 million safe manhours. The project has recently been rewarded with the Gold award by the prestigious "Royal Society for the Prevention of Accidents (RoSPA)" for its outstanding Health and Safety performance during the project construction phase.

ENVIRONMENTAL PROTECTION AND SUSTAINABILITY MEASURES

The ammonia project is equipped with RO (Reverse Osmosis) and ZLD (Zero Liquid Discharge) plants designed to recover 2.5 MLD filtered water thereby eliminating liquid effluent discharge during the normal operation.

Further, The KBR Purifier Technology with KRES (KBR Reforming Exchanger System); 2nd such plant in India; is a latest Ammonia Synthesis Process offering an energy optimised process consuming an attractive 15% less than other conventional units. In addition, there is incorporation of Purifier Cold Box (only 40 such plants across the globe) operating at cryogenic temperature (-173°C) to produce pure synthesis gas for ammonia converter; recovering the heat of refrigeration as power and utilising the waste/unreacted gas as a fuel source. It has been designed with environment-friendly CO_2 removal system supplied by BASF viz. OASE white as against other market players with corrosive and hazardous units.

With elimination of road tankers movement from JNPT to MIDC Taloja, NOx concentration and RSPM will get substantially reduced. It is also expected to reduce the pollution load to some extent due to bulk marine vessel source.

ENERGY-EFFICIENT TECHNOLOGY & OTHER KEY FEATURES

- KBR KRES technology with an energy optimised process, consuming an attractive 15% less than other conventional units
- Lowest energy consumption of 6.7 GCal/MT ammonia with lowest emissions
- Product ammonia transfer through pipeline, eliminating logistics risk
- Estimated 8% annual reduction in the NOx concentration of the ambient pollution levels as well 2.3% of RSPM concentration
- Ensuring control on supply chain and leading to freight economics
- Reducing carbon footprint with less energy, water and waste
- Zero liquid discharge and minimal gaseous discharge
- Scaling Quality Performance Index
- Reducing ground level pollution by eliminating tanker movement

NEW AMMONIA PLANT
QUICK FACTS

Capacity
1,500 MTPD

Start of Construction
Q1 FY21

Commissioning
Q2 FY24

During Project phase - Safe Manhours
15 Million

Total Capex
₹ 45 billion

The greenfield ammonia plant is a backward integration step to cater to the in-house captive ammonia needs of its various downstream production units (earlier imported through JNPT and transported through road tankers). It will thus help eliminate import dependency and ensure consistent availability of the ammonia across the fence through a pipeline.

AWARDS & RECOGNITIONS

SAFETY

The Ammonia Project set up by Performance Chemiserve Limited (PCL) and executed by Toyo Engineering India Pvt. Ltd. has been awarded the Gold Award by Royal Society for the Prevention of Accident (RoSPA) for its outstanding health and safety performance during the period 1st January, 2022 to 31st December, 2022.

FIRST LICENSEE

Bureau of Indian Standards felicitated DFPCL for being 'All India First Licensee for Iso Propyl Alcohol – Food Grade and Cosmetic Grade, as per IS 11686 and IS 10301 respectively.

INNOVATIVE FERTILISER

STL won Golden Peacock Innovative Product / Service Award 2022. This prestige has been awarded to STL's 'Mahadhan Croptek' to develop and deliver innovative Crop Nutrition Solution that help farmers optimise spend and maximise yield thereby enhancing farmers' net income.

SAFETY

DFPCL received the 'Certificate of Appreciation' from National Safety Council of India in March 2023 for its Dahej plant under the NSCI Safety Award 2022 (Manufacturing Sector – Group B)

SAFETY

STL received Certificate of Appreciation from National Safety Council of India for Taloja plant & JNPT facility in March 2023 under the NSCI Safety Award 2022 (Manufacturing Sector – Group B)

CSR

Ishanya Foundation won the Silver Award in the Livelihood category at the National CSR Summit & Awards on 14th October, 2022. The jury had India's finest minds and celebrities from all sectors and included Justice KG Balakrishnan, Former Chief Justice of India, top central Govt. Ministers and media.

SUPPLY CHAIN MANAGEMENT

DFPCL received the 'Best Implementation of Connected Planning' at the 7th Demand Planning & Forecasting Awards 2023' organised by the Institute of Supply Chain Management.

CYBER SECURITY

DFPCL received 'Cyber Security Excellence Awards 2022' in the category of 'Best Zero Trust Security – Manufacturing, organised by Quantic India. The award was for the project 'Zero Trust Application Access' which has strengthened the Cyber security of the organisation.

PROCUREMENT

DFPCL received 'Excellence in Procurement Award 2023' at the 6th Edition of Procurement Excellence Summit & Awards 2023 organised by UBS Forum and IVALUA.

BEST BRAND

Creaticity was chosen as a 'Brand of the Year 2022'. Marksmen Daily with media partner 'India Today Television' conducted a survey of brands, as perceived by consumers, in urban and rural towns of India, with extensive evaluation for a quarter on 7 broad parameters to decide the eligible brands for the awards.

STEERING A DIGNIFIED AND SUSTAINABLE LIVELIHOOD

We believe India's progress is incomplete without inclusive growth. Ishanya Foundation is committed to work as an enabler towards achieving this goal with initiatives focussed on skill development, knowledge sharing and support. The initiatives are designed to build pride, capability, self-reliance and sustainable livelihood for all our beneficiaries.

Positively impacted lives of
31,129
beneficiaries in FY 2022-23

Ishanya Foundation (IsFon) is the CSR arm of Deepak Fertilisers And Petrochemicals Corp. Ltd. (DFPCL), which through a wide range of outreach programmes and initiatives, enables far-reaching, life-transforming changes. With a strong belief in building self-reliance and attaining inclusion, IsFon's programmes are designed to provide vocational skills, resource support and market access to help beneficiaries achieve a sustainable livelihood, attain financial independence, and live with dignity. Be it a college dropout or rural woman, marginalised farmer or urban youth, IsFon helps to put power, capability and confidence into our beneficiary's hands – to dream, achieve and uplift themselves.

The Foundation has been working relentlessly with the deprived and marginalised in rural and urban Maharashtra and Gujarat for the last 16 years. Its constant aim is to bring about positive change that uplifts and empowers the under-privileged communities. It works with NGOs, and international non-profits and state and central governments to widen and strengthen its circle of care.

Rural and Urban Beneficiaries of our initiatives in FY 2022-23

Project	Rural Beneficiaries	Urban Beneficiaries	Total Beneficiaries
Vocational Skills Development Project (VSDP)	59	524	583
Livelihood Enhancement through Entrepreneurship Development (LEED)	58	4,254	4,312
Wadi	410	-	410
Dairy Development Project (DDP)	292	-	292
Community Development & Social Welfare (CDSW)	1,097	-	1,097
Aarogyam	20,129	839	20,968
Gyanam	3,467	-	3,467
Total	**25,512**	**5,617**	**31,129**

URBAN INITIATIVES

IsFon conducts a variety of job-oriented vocational courses with emphasis on soft-skills training for underprivileged women, youth and school dropouts from marginalised and financially challenged communities. The aim is to train them for better employment opportunities, gradually leading their families out of poverty and towards sustainable livelihood.

1. VOCATIONAL SKILL DEVELOPMENT PROJECT (VSDP) - URBAN

IsFon conducts a variety of job-oriented vocational courses with an emphasis on soft skills training for under-privileged women, youth and school dropouts from marginalised and financially challenged communities. This includes courses like Professional Beautician & Art of Mehendi, Information Technology, Manual Insertion Operator, Asst. Operator, Electrician, AC Refrigeration, CNC Operator, B.Sc / M.Sc Nursing and more.

Automobile Technician Course being conducted at Don Bosco Vyawasak Prashikshan Kendra

Information Technology course being conducted at IsFon

524 No. of aspirants trained under job-oriented vocational courses	**477** No. of aspirants employed

VSDP – Rural

IsFon conducts skill enhancement training programmes in rural areas with the objective of creating a positive impact on aspirants and providing them with financial stability and inclusivity within the community. This includes courses in tailoring, sewing machine repairing & maintenance, and optometry.

Madhura Patil received sponsorship fee for B.Sc Optometry and is an Optometrist

55 Beneficiaries in Tailoring	**8** Beneficiaries trained in Sewing machine repair	**4** Beneficiaries trained in Optometry

2. LIVELIHOOD ENHANCEMENT THROUGH ENTREPRENEURSHIP DEVELOPMENT (LEED)

The LEED programme offers entrepreneurship opportunities and facilitates livelihoods through a secondary source of income for financially challenged women. The LEED programme consists of the following initiatives:

Parlour equipment being supported by IsFon

a. Income Generation Programme

The Income Generation Programme (IGP) selects women already skilled in tailoring and cutting and trains them further to enhance their skills and make them adept in creating beautiful handmade products and gifting options such as envelopes, bags, thali covers, table mats, saree covers, jewellery pouches and more.

Unique gifting products stitched by women which is their secondary source of income

90 Beneficiaries	₹ 10.46 Lakh Sale of Products	₹ 3.05 Lakh Income earned

b. Muskaan

Muskaan is a unique initiative based on the principle of "Reuse, Recycle and Revenue Generation".

It empowers the financially challenged women, whom we call as 'Muskaan Parees', by helping them sell pre-owned garments in marginalised communities at a nominal price and earn a secondary source of income. The unsold garments are collected by Swachh as part of its V-Collect initiative for recycling.

Parees at Muskan stall

2,449 Customers	₹ 2.55 Lakh Total Value of Sale of Garments	14 Muskaan Parees

c. Yellow Ribbon NGO & Artisans Fair

This is an annual event and a unique platform that demonstrates the collective work of 115 NGOs, artisans, farmers, social enterprises and self-help groups and helps them reach out to their stakeholders.

This years gift hampers included products from 10 different NGOs and SHGs. We sold 80 hampers. The participants came from all across the country, from states such as, Maharashtra, Himachal Pradesh, Gujarat, Uttar Pradesh, Punjab, Jharkhand, West Bengal, Hyderabad, Karnataka, Bihar and Rajasthan. Products such as Risobium grass gifting items, Diwali snacks, Bamboo Lanterns, Dokra Jewellery, Organic dry fruits and grains, wide variety of fabrics such as Bandhani, Ikat, Paithani, Ajrak, Lucknowi Chikan work, Kantha, Block printing, Woollen shawls, Batik, Bhisnupuri and Tussar silk, Kota work as well as a host of other lifestyle products were exhibited at the fair.

Visitors at YRNF stalls

115 Participating organisations	₹ 57.38 Lakh Total Value of Sale
₹ 2 Lakh Total Value of Gift Hampers sold	6,380 Total Footfalls at the Fair

d. Entrepreneurship Development (Urban and Rural)

The marginalised societies often suffer from poor entrepreneurial capabilities due to, lack of necessary information, lack of access to relevant markets and the need for finance to purchase the required equipment to run their business. IsFon's Entrepreneurship Development initiative supports them by upgrading their skills and services and providing them with appropriate tools and equipment. By doing this, the beneficiaries are empowered to become self-employed and successfully run their small business.

Kamal Kusalkar being supported with handcart

73 Urban Beneficiaries

58 Rural Beneficiaries

e. Employee and Individual Volunteer Engagement Activities

During the year, individual volunteers, along with employees of DFPCL and Smartchem Technologies Limited volunteered for IsFon's activities. They also appreciated having received this opportunity to move beyond their work-related responsibilities and participate in philanthropic initiatives.

Employee engagement activity at YRNF

RURAL INITIATIVES

Ishanya Foundation engages in impactful and welfare-driven rural activities spread across 63 villages in Taloja, 2 villages in Dahej and 3 villages in Srikakulam. Several of these villages belong to the marginalised and vulnerable sections of the society and live below the poverty line. Our key thrust areas under Rural Initiatives are Wadi, Dairy, Health and Education.

1. WADI PROJECT

The project encompasses converting wasteland into productive forestry plantations and orchards through soil and water conservation and water resource development. Farmers are assisted with water resource development, lifting devices, farm tools, plant nutrition with fertiliser application and protection for pest management.

Small and marginalised farmers are provided with:

- Access to integrated farming tools and techniques for intensive land development
- Expert guidance in new agricultural techniques, commercial farming and market linkages
- Support to establish half-acre Kesar mango orchard with 30 trees

11,460 Mango trees planted

94.25% Survival rate

191.50 Acres covered

380 Wadi
26 WRD Support
4 Mango and Vegetable Nursery

₹ 14.62 Lakh Income from sale of mangoes

₹ 58.87 Lakh Income from sale of vegetables

Family with Kesar Mango Harvest

2. DAIRY DEVELOPMENT PROJECT

Under its rural initiative for small, marginalised and landless labourers in Panvel and Ambernath talukas of Raigad and Thane districts, the Dairy Project remains a key focus area for IsFon. The objective of the project is to enhance milk production and improve dairy farm productivity. It provides an opportunity to women farmers to earn an average income of ₹ 8,000-12,000 per month through the sale of milk and cow dung.

Assistance provided to dairy farmers

- Eligible women supported with cross-breed cows
- Support for developing fodder plots
- Doorstep services for vaccination, artificial insemination and pregnancy diagnosis for cattle
- Support of market linkages for selling milk

A farmer couple supported with cross breed cow and calf

4.25 Lakh
litres Milk produced

64,085
litres Milk consumed at home

53,300
litres Milk consumed by calf

3.07 Lakh
litres Milk sold in the market

₹ 1.32 crore
Additional income generated through sale of milk

1,004
Artificial insemination conducted

44.34%
Conception rate

324
Calves produced
(141 Male Calves and 183 Female Calves)

3. AAROGYAM (URBAN AND RURAL)

The Foundation contributes towards quality medical care to destitute patients by providing qualitative, preventive and curative healthcare services thereby improving their quality of life. These services are provided in and around Pune city, in the villages of Taloja MIDC and Dahej.

Pathological Collection Centre

IsFon started a collection centre for pathological investigations at its office through a tie-up with N.M. Diagnostics Pvt. Ltd. It serves as a convenient collection centre for patients to avail pathological services at very nominal costs.

Pathological collection centre at IsFon, Pune

20,968
Patients covered
(Urban – 839, Rural – 20,129)

4
Support for Dialysis

835
Total Path Lab Patients covered

Beneficiaries of Aarogyam

Activities	Location	Beneficiaries covered
Mobile Clinic	Taloja	Doorstep health services to 15,771 patients from villages in and around Taloja MIDC
Eye Check-up Camp	Taloja	• 4 camps conducted • 1,025 patients screened • 386 patients diagnosed with cataract • 232 cataract operations conducted • 306 patients with refraction errors provided with spectacles
School Screening Camp for Eye Check-up	Taloja	• 3 camps organised • 832 students screened • 32 students treated
Kitchen garden	Dahej Srikakulam Taloja	1,750 families benefited (Dahej – 100, Srikakulam – 1,350, Taloja – 300)
Support to Public Health Unit (PHU) by providing computer, printer, inverter with battery	Valap, Taloja	• One set
Water supply facility with platform and tank at Public Health Centre (PHU)	Wavanje, Taloja	• One unit
General health check-up and Eye Camps with free medicine	Dahej	Camps organised: • Rahiyad – 2 • Suva – 3 Patients screened and provided with free medicine – 615
Weighing scale for Rahiyad Anganwadi	Dahej	• One unit
Construction of new toilet at Anganwadi at Rahiyad village	Dahej	• One unit
Health & Hygiene Awareness Session for children of Suva Primary School	Dahej	• One session

School screening camp for eye check-up

4. GYANAM

Education works as a framework for building intellectual, social and financial aspects of a youth's personality and supports them to be self-reliant and independent human beings. Through Gyanam, IsFon works towards creating a better school learning environment and improving the quality of education in Taloja, Dahej and Srikakulam.

Digital class at RNZ School at Taloja

Some of the key activities undertaken:

- Completed digitalisation of Raigad Zilla Parishad Schools at Taloja by providing **37 digital class** sets with 55-inch Android TV, State Board syllabus on Pen drive, Wireless mouse, Keyboard and Teachers Training
- Infrastructure Development as per the need of Primary and Secondary Schools nearby Taloja MIDC (installed tin roof sheet, repairing and painting, installation of water purifier and water cooler, provided computer & printer, construction of toilet blocks)
- Conducted 13 career guidance session for 10th & 12th standard students in 8 schools, with participation from 1,494 students
- Infrastructure Development as per need of Primary and Secondary Schools of Rahiyad and Suva village, at Dahej (Installed tin roof sheets, metal bookshelf, Repair of toilet block, classroom furniture, RO plant, flooring of mid-day meal area)
- Distributed sports equipment and appointed two school teachers at government schools in Ponnada, Srikakulam
- Installed 50 LPH RO plant at Elementary School at Venkannagaripeta, Srikakulam

5. COMMUNITY DEVELOPMENT AND SOCIAL WELFARE (CDSW)

This initiative aims to bring about community development through collective action of all the community members to help overcome some of their economic, social and environmental difficulties.

Installation of playing equipment for children at Dahej

Some of the key activities undertaken:

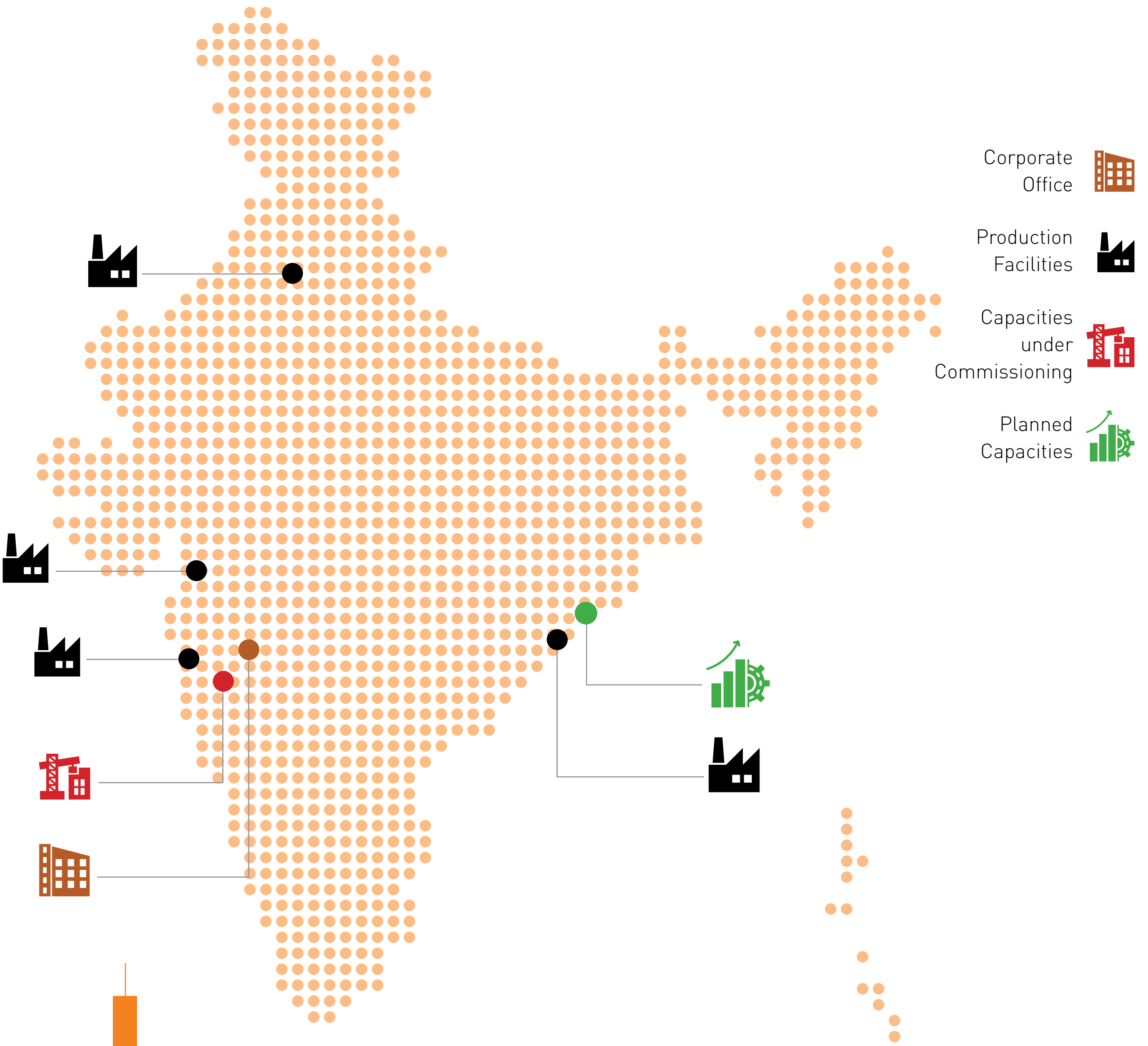
- Installed open gym equipment at Khairne village, Taloja and at Rahiyad village, Dahej
- Drinking water facility, benefiting more than 200 families at Dongryachapada, Taloja
- Upgraded and beautified Community Katta and Bench at Ghot village, Taloja
- Installed iron shed with benches at the entrance of Rahiyad village
- Completed paver block and shed construction at Rahiyad village in Dahej
- Installed water cooler at Nana Mandva, Rajkot

At Ishanya Foundation, we remain committed to our cause and work with even more dedication towards enabling socio-economic change in the years ahead. We regularly gather and analyse data with the objective to ensure that we make an impact on the communities we serve. We also strive for innovation across our projects to ensure that we are aligned with the needs of equitable opportunities of new-age India. We pledge to care and contribute, enable and empower to build a better and sustainable life for the society's marginalised sections.

Community Katta at Ghot village, Taloja

Mrs. Parul S. Mehta, Managing Trustee of IsFon (sitting in centre) seen with VSDP aspirants

OUR GEOGRAPHICAL FOOTPRINT



Map not to scale. For illustrative purposes only.

Management Discussion & Analysis

Bird's-eye view of Taloja plant

ECONOMIC OVERVIEW

Global

In 2023, with continuity of geopolitical tension, world growth is expected to remain subdued at 2.8% as against 3.4% in 2022, whereas growth in advanced economies is likely to decelerate to 1.3% in 2023 from 2.7% in 2022. Growth in emerging market and developing economies (EMDEs) is expected to maintain pace at 3.9% in 2023 versus 4% in 2022. The unexpected failures of two specialised regional banks in the US in early 2023 and the collapse of confidence in Credit Suisse, delivered a significant blow to the confidence of bank depositors and investors. Global headline inflation has been declining since mid-2022, led by fall in fuel and energy commodity prices in most economies, and the monetary tightening by various central banks.

In 2024, global economic growth is expected at 3% with advanced economies growing at 1.4% and EMDEs expected to continue to grow at 4.2%. The expected pickup in 2024 in both advanced economies and EMDEs lies on the expectations of a gradual recovery from the effects of the war and subsiding inflation. Global inflation is also expected to fall to 4.3% with full impact of strict monetary policies coming into effect.

(Source: World Economic Outlook – IMF, April 2023)

India

Indian economy witnessed sustainable growth in FY23 despite the tailwind of the pandemic and the headwind of the geopolitical conflicts. Macroeconomic environment has witnessed stability on various fronts including improved current account deficit and easing inflation pressure. The easing of international commodity prices, prompt government action, and RBI's monetary tightening measures have helped to rein in domestic inflation. The National Statistics Office (NSO) has estimated the Indian GDP growth in FY23 at 7% versus 9.1% in FY22, still higher than the growth of most of the other major economies. According to IMF, India is expected to be the fastest-growing economy in FY24. The Economic Survey 2022-23 and RBI have projected Indian economic growth at 6.5% in FY24 despite high global uncertainties.

Moderation in inflationary pressures and increased public capital expenditure are expected to boost domestic economic growth.

In the Union Budget 2023-24, the allocation to the health sector was increased by ₹ 2,954 crore, to ₹ 89,155 crore with plans to establish additional 157 medical colleges, and end sickle cell anaemia in India by 2047. The goal of India is to become the pharmacy of the World. Towards this, increased importance was assigned to R&D, new product development and to enhance the capacity of ICMR. While PLI schemes have been introduced to promote bulk drug parks, with a budget of ₹ 1,663 crore, the Government is also considering launching a PLI scheme in the chemical sector to boost domestic manufacturing and exports. A 2034 vision for the chemicals and petrochemicals sector has been set up to explore opportunities to improve domestic production, reduce imports and attract investments in the sector.

The finance ministry has significantly enhanced capital expenditure (Capex) outlay by 33% to ₹ 10 lakh crore. Various budget provisions were built on the National Infrastructure Pipeline (NIP) combined with other initiatives such as "Make in India" and the "production-linked incentives (PLI) scheme" to augment the growth of the sector. Various schemes were continued like PM Awas Yojana, extended CLSS, sanitising real estate investments, smart cities mission etc. to further boost the real estate sector.

Further, a budget of ₹ 1.24 lakh crore has been allocated to agriculture and farmers' welfare. Some major announcements were made with regards to Minimum Support Price (MSP) for farmers, boosting domestic production of oilseeds, endorsement of natural farming, support for agritech, push for food processing industry and increased allocation for Rashtriya Krishi Vikas Yojana, PM-KISAN, Kisan Credit Card, and Crop Loan Interest Subsidy, etc.

INDIA, KNOWN AS THE PHARMACY OF THE WORLD, IS ONE OF THE BIGGEST SUPPLIERS OF LOW-COST VACCINES GLOBALLY WITH ~60% SHARE OF GLOBAL VACCINE PRODUCTION

INDUSTRY OVERVIEW

Chemical industry

In the last decade, the Indian chemical industry outperformed globally, led by robust domestic demand, favourable demography, growing preferences for biofriendly products, and major shift in global supply chains. Domestic consumption is expected to rise from US$ 170-180 billion in 2021 to US$ 850-1,000 billion by 2040. India is one of the biggest beneficiaries of rising demand for biofriendly products globally, being one of the leading producers of chemicals used in such products. The evolving geopolitical situation coupled with the trend to diversify from existing core manufacturing markets, is leading to increased shift in demand to Indian chemical industry. India's share in the global chemicals sector is expected to triple to 10-12% by 2040.

Certain challenges faced by the industry include feedstock availability, low access to building blocks and key minerals, inadequate R&D talent and challenges in timely EC & land approvals. However, being more cost competitive due to low capital and operating expenses such as labour, utility and overhead expenses etc., India is expected to emerge as a preferred destination for the global chemical industry.

(Source: India: The next chemicals manufacturing hub, McKinsey & Company)

Pharmaceutical industry

India, known as the pharmacy of the world, is one of the biggest suppliers of low-cost vaccines globally with ~60% share of global vaccine production. India is the largest provider of generic medicines, with 20% share in global supplies. India has the highest number of US-FDA compliant plants outside of USA. India boasts of 3,000+ pharma companies with a strong network of over 10,500 manufacturing facilities with highly skilled talent pool. Active Pharmaceutical Ingredient (API) is a crucial segment of the pharma industry, contributing to ~35% of the market. There are 500 API manufacturers contributing ~8% in the global API Industry. Being the third largest producer of APIs globally, India contributes ~57% of APIs to prequalified list of the WHO. India manufactures ~60,000 different generic brands across 60 therapeutic categories. Indian medicines find huge global preference owing to affordable pricing with high quality.

The Indian pharmaceutical market is expected to reach US$ 65 billion by 2024 and US$ 130 billion in 2030 led by deeper focus on quality manufacturing, affordability of drugs and rapid adoption of innovation and technology. Various government schemes play a crucial role in promotion of API (bulk drug) through clusters and PLI programme which helps and supports the 'Make in India' initiative for domestic manufacturers.

(Source: Pharma industry in India: Invest in Indian Pharma Sector (investindia.gov.in); Harnessing India's API Potential (investindia.gov.in))

Mining & infrastructure

India's total coal production stood at 892 million metric tonnes (MMT) in FY23, 15% up from 777 MMT in FY22. Despite spike in local production, coal imports increased sharply by 18% to 237 MMT in FY23. Out of this, non-coking or thermal coal imports were ~70% growing by 23% due to higher demand from power producers and government's mandate to meet peak power demand.

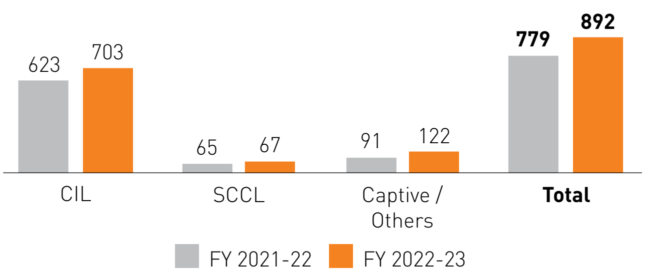
The government continues its thrust on developing the mining & infrastructure sector, a key constituent of the core industries of the economy. The government has introduced several policy & regulatory reforms to open up the mining sector, which made the process of allocation of mineral concessions completely transparent. National Mineral Policy 2019 aims to double the production of important minerals in next 5 years thereby attaining self-sufficiency in major minerals and reducing import dependency.

Ministry of Coal has also taken numerous steps towards augmenting the production & efficiency in coal mining. Coal production is being ramped up to ensure energy security and to reduce non-essential coal imports. The government is targeting 1 billion MT of coal production by FY24 and specifically Coal India Limited (CIL) has been tasked to target 1 billion MT of coal production in FY26. These initiatives are bearing fruit reflecting coal production growth of 15% in FY23.

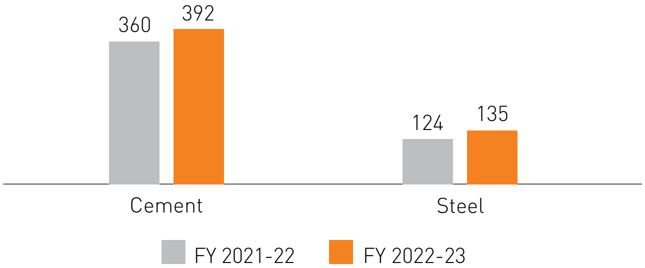
With the rise in energy demand, the demand for key minerals such as rock/stone aggregates, cement, steel and coal also increased significantly resulting in increased demand for TAN, the primary raw material for manufacturing commercial explosives which are then used to blast the over-burden and expose the underlying mineral for extraction & processing. Other key minerals such as cement and steel, posted 10% and 7% growth respectively.

The continued emphasis on infrastructure development indicated by sharp step-up in infrastructure allocation in Union Budget 2023-24, is a positive indicator for growth in demand of Technical Ammonium Nitrate.

India Coal Production (Million MT)



India Cement & Steel Production (Million MT)



Agriculture sector

The Indian agriculture sector, with second-largest agricultural land in the world is the backbone of the economy. The sector is projected to grow by 3.5% in FY23. The sector met domestic requirements, and also rapidly emerged as the net exporter of agricultural products in recent years. Agriculture exports touched US$ 50 billion in FY23. The total kharif foodgrain production in the country is estimated at 150 MMT higher than the average of the previous five years. Although, the area sown under paddy was about 20 lakh hectares less than compared to 2021.

The growth in the agriculture sector is likely to remain buoyant, supported by healthy progress in Rabi sowing, with the area sown being higher than the previous year. As per the third Advance Estimates of production of major crops for FY23, total foodgrain production in the country is estimated at a record 330 MMT, 15 MMT higher than in 2021-22. This will become the highest ever foodgrain production in India. Wheat harvest was at a record 113 MMT up from 108 MMT in 2021-22. This has led to a recovery in the rural economy. The government's Central Sector Scheme of financing facility under the Agriculture Infrastructure Fund of ₹ 1 lakh crore supports farmers, PACS, FPOs and agri-entrepreneurs, among others in building community farming assets and post-harvest agriculture infrastructure. Kisan drones are also being promoted, with subsidies being given to various sections, including farmers, SC-ST category, women farmers and crop-specific SOP has also been issued for application of pesticides with drones. Nearly ₹ 6,121 crore has been provided to states over FY15 to FY23 for various activities like training, testing, setting up of CHCs, hi-tech hubs and Farm Machinery Banks under the Sub-Mission on Agricultural Mechanisation. Besides, 15.24 lakh farm machinery and equipment have been provided at subsidised rates through state governments, including tractors, power tillers and automated machinery.

E-National Agriculture Market, which digitally integrates wholesale markets, trade turnover grew 32% to ₹ 74,656 crore in FY23 with growing use by farmers, traders and farmers producers' organisations (FPOs). The turnover on the platform is expected to cross ₹ 1 trillion in FY24.

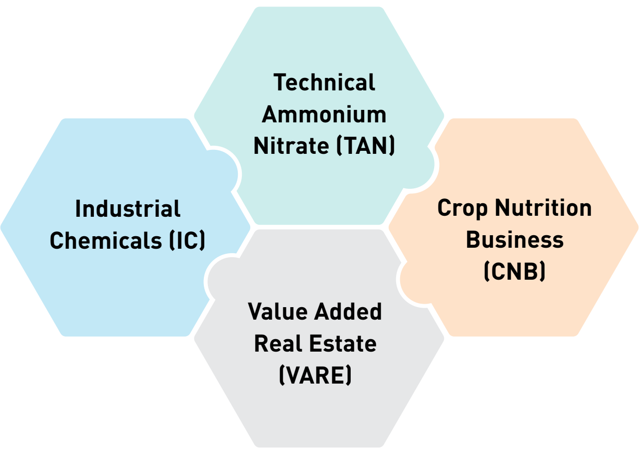
There is demand shift towards low price fertiliser like urea and DAP. India plans to phase out urea imports by 2025 as it expands its domestic production capacity through the activation of new plants.

The Indian fertiliser market size was ₹899 billion in 2022 and is expected to grow at 4.9% CAGR to reach ₹ 1,188 billion by 2028.

Source: Press Information Bureau (pib.gov.in); Agri trade on e-platform up a third to ₹ 75k cr in FY23 | The Financial Express; Need to improve crop productivity to meet demand of the world: Tomar (business-standard.com)

BUSINESS OVERVIEW

Established over 4 decades ago, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL or the Company), has its business operations spread across four business verticals, namely:



The Company has state-of-the-art manufacturing facilities at Taloja (Maharashtra), Dahej (Gujarat), Srikakulam (Andhra Pradesh) and Panipat (Haryana), with a total manufacturing capacity of over 32,00,000 MT per annum. New manufacturing facility for production of 5,00,000 MTPA Ammonia is nearing completion with targeted commissioning during Q2 FY24 at Taloja (Maharashtra). Also, a new world scale TAN manufacturing project of 3,76,000 MTPA is progressing well at Gopalpur (Odisha) with target commissioning by FY26.

Dahej Nitric Acid Complex

Industrial Chemicals (IC)

DFPCL holds leadership position in manufacturing of Industrial Chemicals such as Nitric Acid (DNA, CNA, SNA, Solar grade, Steel grade), Iso Propyl Alcohol (IPA - pharma grade, food grade, cosmetic grade, standard grade etc.), Ammonia, Liquid Carbon Dioxide. The Company also imports and supplies other chemicals within India to meet industrial requirements.

Strategically, DFPCL aims at enriching value to all the stakeholders with IC business continuously strengthening its focus from commodity-play to specialty-play to ensure greater value proposition. Also, better cost management, operational efficiency and prompt customer services helps IC business to promote value-based pricing for its products. This ensures a stable earning opportunity, repeat orders, long-term association with the customers, stronger brand value leading to long-term value creation to the Company and its shareholders.

Iso Propyl Alcohol (IPA)

DFPCL, one of the largest manufacturers of IPA in India, the mostly used solvent in pharma industry, is capable of supplying any pharmacopeial grade IPA (IP, BP, EP, USP, JP, CP and multi compendial) to support the requirement of high-grade solvents in formulation and API stage of pharma industry.

In FY23, DFPCL introduced other pharmacopeial grade solvents (methanol, acetone and MDC) apart from IPA which are being used in pharma industry. DFPCL's increased focus on pharma grade IPA shows its long-term commitment to end user's wellbeing and health safety. The Company's solvent products meet international quality standards for use in coatings and inks, speciality chemicals and cosmetics. Apart from all the pharmacopeia standards, solvents are compliant to other standards like OHSAS, FDA, CFDA, HALAL & KOSHER with acceptance across markets of USA, EU, Africa, Middle East and far East.

In FY24, IC Business will be launching PUROSOLV brand for providing all its pharmacopeia certified solvents under one umbrella. Starting with IPA and other 3 non-IPA solvents (methanol, acetone and MDC), the brand plans to put more pharma grade solvents under its umbrella in future. PUROSOLV focusses on three-pronged strategy

SOLAR GRADE NITRIC ACID HAS BEEN COMMERCIALISED IN FY23 AND REGULAR SUPPLIES HAVE STARTED TO SOLAR PV CELL MANUFACTURERS. THE PRODUCT HAS RECEIVED GOOD FEEDBACK FROM THE END USERS. FURTHER A NEW GRADE OF NITRIC ACID IS ALSO BEING DEVELOPED FOR STEEL SECTOR APPLICATIONS

of technology, quality and service. Use of technology like QR code for authenticity, on demand online authentication check, hologram seals etc. sets apart PUROSOLV from other players in India and abroad. Newly introduced solvents are supplied from FDA-compliant and GMP-approved plants. Highest quality is delivered with world-class service from a dedicated team which ensures ultimate customer satisfaction, quick TAT etc. DFPCL is working towards other IPA-based speciality products targeting both traditional and sunrise industries along with newer pharmacopeia certified solvents under its PUROSOLV brand.

IC Business launched several new products under Cororid brand to cater to the hospital and disinfection industry. In FY23, Cororid focussed more on growing its business in B2B sectors including hospitals, corporates, and government agencies. Cororid has successfully grown outside Maharashtra with a footprint of 150+ hospital association across India. IC Business is planning to offer other related products to the same customer segment under Cororid in coming years.

In India, IPA demand is set to grow in coming years from all sectors including pharmaceutical, chemical, coating and ink. In FY23, the Indian IPA market clocked at 230 KTPA and is forecasted to reach 410 KTPA by FY33 growing at 6% CAGR backed by demand increase in disinfection sector due to post pandemic lifestyle changes and focus on personal hygiene along with India's focus on becoming a global leader in drug manufacturing. Stronger demand is expected from chemical industry, electronic industry, solar industry, automotive, flavour and fragrances, cosmetics etc. IPA will be mostly used in these industries as a speciality product and open up new areas of stable demand.

Nitric Acid

DFPCL holds a dominant position in the Indian nitric acid business with more than 45% market share. It is one of the major chemicals with different grades available in the market such as dilute nitric acid (DNA), concentrated nitric acid (CNA), and strong nitric acid (SNA) used in different applications in multiple industries.

The major demand for nitric acid is derived from the fertiliser industry to produce nitrate-based fertilisers. Nitric acid is also used to produce nitroaromatics such as nitro benzene, nitro toluene, etc. Demand for nitric acid application has recently improved in the electronic and steel industries. With government initiatives such as "Make in India" and reducing the import of explosives, the domestic end-user such as ordnance factories and some private players are focussing on enhancing their production output, which is anticipated to fuel the demand for nitric acid in the coming years.

DFPCL's total nitric acid production capacity stands at 1,120 KTPA. Apart from IC business, TAN and Ammonium Nitro Phosphate (ANP) consumes a significant portion of the captive nitric acid manufacturing, with the surplus nitric acid being supplied to market in different grades. Based on customer commitments and market scenario, DFPCL also imports DNA and converts it to CNA.

As a part of strategic transformation journey, IC Business is aiming for converting commodity play to speciality play. In FY23, IC Business has successfully launched solar grade nitric acid, a premium specialty product, which received favourable response from solar cell manufacturers with multiple repeat orders.

IN FY23, DFPCL SIGNED A LONG-TERM SUPPLY AGREEMENT OF CNA WITH AARTI INDUSTRIES LIMITED (AIL). THIS ALLIANCE INDICATES STRONG GROWTH CURRENTS EMERGING FROM THE 'CHINA PLUS ONE' TREND FOR THE SPECIALTY CHEMICAL SECTOR IN INDIA

IC Business aims to expand the supply capacity for solar grade nitric acid in the near term at Taloja. The business will also aim to cater to the needs of other traditional and high growth industries with innovative speciality products such as steel grade nitric acid. The efforts are at different phases of development and expected to be commercially launched soon.

DFPCL IS AMONG THE LEADING PRODUCERS OF TAN IN THE WORLD WITH CURRENT CAPACITY OF 537 KTPA, PRODUCING HDAN, LDAN, AN MELT AND MEDICAL GRADE AN

The overall rising application of nitric acid in the steel, pharmaceuticals, aromatics, and explosives industry, is anticipated to boost the demand for nitric acid with an expected growth of 6-8% over next decade.

Liquid Carbon Dioxide and Methanol

With 72,000 MTPA installed capacity at Taloja plant, DFPCL is among the leading suppliers of Liquid Carbon Dioxide (LCO_2) in India. LCO_2 manufactured as a by-product of the ammonia production is of very high quality and is food grade certified. LCO_2 finds its application in dry ice, beverages, and engineering industries as a shield gas for welding. The CO_2 gas thus gets converted to value-added products by respective end users, thereby helping minimise the greenhouse gas emissions.

The Company has an installed capacity of 1,00,000 MT of Methanol at Taloja, Maharashtra. Methanol finds its application in formaldehyde, tert-amyl methyl ether (TAME) and methyl derivatives. It is also used as a solvent in the pharmaceutical and paint industries. However, based on unfavourable market conditions and cost economics, there was no methanol production during FY23. Emerging applications, like, dimethyl ether and M15 fuel blending etc. may drive the demand in future Nevertheless, the Company is geared up for the methanol production as and when market conditions become favourable.

Traded Chemicals

Based on customer commitment and market dynamics, the Company continues to trade in select products like ammonia, nitric acid and non-IPA specialty grade solvents such as Methanol, MDC and Acetone.

Technical Ammonium Nitrate (TAN)

DFPCL is among the leading producers of TAN in the world with capacity of 537 KTPA, producing High Density Ammonium Nitrate (HDAN), Low Density Ammonium Nitrate (LDAN), Ammonium Nitrate Melt (AN Melt) and Medical Grade AN. The Company is the only producer of explosives grade TAN solids in India and also manufactures Medical Grade Ammonium Nitrate which is widely used in the production of medical grade nitrous oxide for use as an aesthetic/analgesic.

In FY23, the business delivered strong financial performance achieving second highest sales volume.

Post successful completion of TAN debottlenecking by 50 KTPA at Taloja under phase 1 during FY23, work is in progress for additional 50 KTPA debottlenecking, under phase 2 which is expected to be completed by FY24. These capacity additions are in line with the government's "Aatmanirbhar Bharat" agenda, a step towards making India self-reliant for its TAN needs to support the growth of mining and infrastructure sectors.

State-of-the-art TAN bagging plant, Taloja

TAN Business aims to be a partner for delivering value by improving mine and quarry productivity through last-mile execution excellence, using specialty products and customised solutions, in a safe and consistent manner. The business has been making significant inroads in line with its vision and is transforming itself from a "product supplier to a solutions provider".

TAN demand is expected to continue its upward momentum, driven by growth in mining and infrastructure development in India. TAN business unit is looking at tapping this opportunity and working closely with its end-consumers for executing value delivery projects to improve their productivity. In FY23, the business has successfully executed 5 number of TCO (Total Cost of Ownership) projects towards productivity improvement across infrastructure, non-coal mining (limestone and metals) and coal mining segments. TAN business secured its first solutions-based productivity improvement contract in a prestigious infrastructure project of national repute. TAN business also secured its first long-term "down-the-hole" (DTH) ANFO supply contract with a private sector coal mining company, through a value-based approach.

The TAN business unit is making significant investments in hardware such as BMDs (Bulk-Mix-Delivery Trucks for delivering ANFO down-the-hole on mine bench at mine sites), and advanced software technology such as drones and AI-based blast modelling. The business unit is actively collaborating and partnering with leading third-party technical and research-oriented institutions to deliver improved efficiencies and productivity to the mining and infrastructure sectors.

As a leading TAN producer in India, TAN business has been consistently complying to the prescribed AN Rules. The business has deployed an advanced version of Global Positioning Tracking System (GPS) across its manufacturing and distribution network, which is helping the business to continuously track and trace all its product movement in line with the AN Rules and provide alerts in case of deviation for the business to take prompt corrective actions.

While the Company has more than 40% market share in the domestic TAN business, its exports were significantly impacted due to regulatory ban on exports in FY23 by GOI. With improved AN inventories in India, the export ban, which was due to short supplies, is expected to be lifted soon. The Company had good market presence in Middle East, Africa, and South East Asian countries for TAN products and will resume exports once the ban is lifted.

Gopalpur TAN Project

It is a green field project for manufacture of Technical Ammonium Nitrate located at 'Tata Steel Industrial Park' in Gopalpur, Odisha with an installed capacity of 376 KTPA, entailing an investment of ₹ 2,200 crore. Post its commissioning, it will help enhance our total capacity to 963 KTPA, making us capable to cater to about 60% of India's AN demand. It is strategically located near the major mining hubs to capture domestic demands, and its proximity to Gopalpur port will also help tapping the export opportunities. The environmental clearance and CRZ clearance have been obtained and the CTE for cross-country pipeline is also in place. The engineering and construction work is in full swing and actions have been initiated for ordering critical long lead items / packages. The project is moving as per plan with targeted commissioning by H2 FY26.

Crop Nutrition Business (CNB)

Crop Nutrition Business is a leading innovative crop nutrient solution provider in the country with a range of enhanced efficiency NPK fertilisers (Smartek), crop-specific balance nutrient fertilisers (Croptek), crop and stage specific water soluble fertiliser, bentonite sulphur and other specialty fertilisers. CNB is serving its farmers for more than 3 decades with its flagship brand 'Mahadhan'. The business has a strong presence in Maharashtra, Karnataka and Gujarat. DFPCL has been further expanding its reach to southern and northern states over last few years.

As a part of its transformation journey, CNB has completely moved its product portfolio from commodity to differentiated, with crop-specific nutrient solution focus.

With the successful launch of Croptek Onion, Croptek Sugarcane and Croptek Maize in FY22, CNB further added 2 more grades namely; Croptek Cotton and Croptek Groundnut to its portfolio during FY23. Since launch, CNB has successfully sold around 1.46 lakh MT Croptek and 1.4 million MT of Smartek NPK fertilisers. Our crop-specific grades 'Solutek' is helping farmers to produce exportable farm produce in crops like Grapes and Pomegranate. This differentiation strategy has helped DFPCL enhance its farmer connect through value proposition and delivery of customised nutrient solutions.

The Company aims to closely work with farmers and increase operational and technical excellence, while pruning cost. R&D will continue to play a vital role in improving competitiveness through innovations. The team also conducted an innovative social media campaign to educate farmers about benefit of Croptek through gamification. Major aim is to engage farmers through a hyperlocal and interest-based campaign, increase Croptek awareness, communicate the Croptek success

Happy farmer couple with STL's crop solution product

story in market, and encourage farmers for trial purchase. Through gamification-based social media campaign, 5.6 million farmers were engaged for Croptek Cotton & Croptek Onion educating them about Croptek solution and to generate curiosity. Seeing is believing in market development approach. CNB team conducted 21,000+ demos of product across operating geographies in FY23 with the multiple market development activities team connecting with ~6 lakh farmers.

The team has initiated Saarrthie farmer (influencer network) programmes and has enrolled more than 15,000 Saarrthie farmers on its platform during FY23. As part of "one nation one fertiliser" drive by the GOI, the Company has migrated its bagging of its subsidised NP / NPK products to the present design / norms during FY23.

SINCE LAUNCH, CNB HAS SUCCESSFULLY SOLD AROUND 1.46 LAKH MT CROPTEK AND 1.4 MILLION MT OF SMARTEK NPK FERTILISERS. THIS DIFFERENTIATION STRATEGY HAS HELPED DFPCL ENHANCE ITS FARMER CONNECT THROUGH VALUE PROPOSITION AND DELIVERY OF CUSTOMISED NUTRIENT SOLUTIONS

In FY 2022-23, Asian Development Bank (ADB) granted US$30 million as Debt Assistance and US$ 0.5 million as Technical Grant for Farm Efficiency initiatives of STL, a wholly-owned subsidiary of DFPCL for a tenor of 5 years. The fund will finance the capital expenditure, as well as be used to drive the farm efficiency improvement initiatives in partnership with farmers.

Value Added Real Estate

DFPCL's VARE business is mainly focussed on the Company's lifestyle retail centre, 'Creaticity' (earlier known


Creaticity, India's arguably largest Home & Interior Destination in Pune

as Ishanya) located in Pune, Maharashtra. Conceptualised as India's first and arguably the largest destination for home and interiors, Creaticity houses nearly 100 brands in the furniture, and home décor categories. There is also a choice of curated cuisines and restaurants in addition to Pune's largest and most attractive trampoline park.

CREATICITY HOUSES NEARLY 100 BRANDS IN THE FURNITURE, AND HOME DÉCOR CATEGORIES

During the year, several new brands/retailers became part of Creaticity such as Home Town, Nirmitee Furniture, Tangent Furniture, Shirkes Kitchen and Stosa Kitchen. Qarpentri by Design Café and HDFC Bank are also likely to commence their occupancy during Q1 of FY24. Total occupancy of Creaticity continues to remain upwards of 80% with 61% increase in footfalls observed during FY23.

"Creaticity Branded Interiors" as single source of solutions is slated to be launched by end of Q1 FY24, combining the strength of wide choice, physical destination and digital experience, and services ranging from space planning and interior design to product selection support and last-mile execution. With this objective in mind, there is significant thrust on various brand partner arrangements, both national and international to create a meaningful differentiation for customers. This includes offering the right products from a variety of national / internationally reputed brands of finished furniture and home décor along with expert advisory for design options to suit customers' aesthetic & budget requirements. Introduction of technology and processes through the entire customer journey is expected to help reinforce reliability and transparency among its customers.

FINANCIAL REVIEW

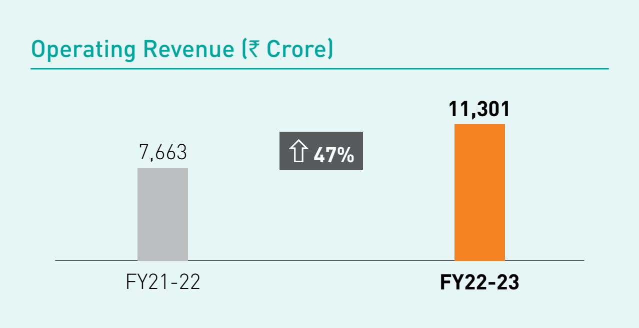
The Company clocked the highest ever profits and revenue in FY23 with robust volume growth over FY22. Despite the enormous finished product spikes that resulted from raw material spikes, the Company managed to maintain healthy sales and cash flows across the three business segments.

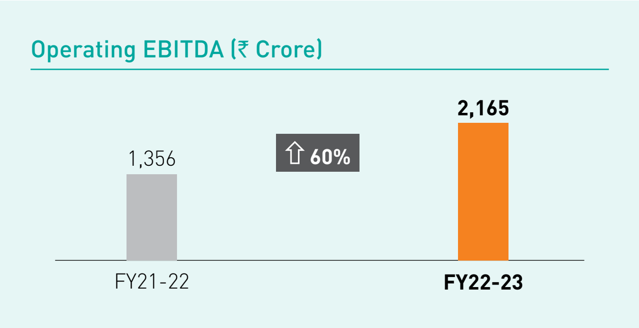
In FY23, operating revenue increased a massive 47% to ₹11,301 crore from ₹7,663 crore in FY22. The Chemical Business contributed 57% to total revenue while the Fertilisers Business contributed 43%.

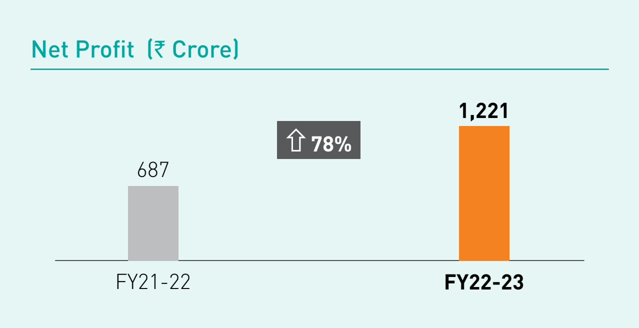
Revenue of Chemicals Business grew by 40% YoY and that of Fertilisers Business grew 59% YoY.

Operating EBITDA and Net Profit grew by 60% and 78%, respectively, over FY22. Operating margin expanded 147bps to 19% led by 600bps margin expansion in the Chemicals Business at 31%. Margin of the Fertiliser Business came in at 7%. Net profit margin expanded 180bps to 11%.

The Company's net debt stood at ₹2,518 crore as on 31st March, 2023. Total Debt / Equity ratio was sustained at 0.71x in FY23 as compared to 0.67x in FY22.







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

KEY FINANCIAL RATIOS

Consolidated Performance	FY22-23	FY21-22
Chemical Revenue (₹ Crore)	6,411	4,575
Fertiliser Revenue (₹ Crore)	4,868	3,071
Chemical Segment Result* (₹ Crore)	1,992	1,165
Fertiliser Segment Result* (₹ Crore)	359	290

*Segment Result as per financials; represents segment Profit Before Tax (before finance costs and unallocable expenditure)

Parameters	FY22-23	FY21-22
Debtor turnover (x)	9.78	9.93
Inventory turnover (x)	9.81	9.11
Interest coverage ratio (x)*	11.55	9.04
Current ratio (x)	1.72	1.51
D/E ratio (total Debt Equity Ratio) (x)	0.71	0.67
Operating Margin (%)	17.05	14.66
Net Margin (%)	10.80	8.97
Return on net worth (%)*	27.28	20.87

**Change from FY21-22 to FY22-23 is more than 25% on account of increase in profits. Other details are provided in Financial Review which forms part of this report.*

KEY PERFORMANCE METRICS

Consolidated Performance	FY22-23	FY21-22
Operating Total Revenue (₹ Crore)	11,301	7,663
Operating EBITDA (₹ Crore)	2,165	1,356
PBT (₹ Crore)	1,816	1,013
PAT (₹ Crore)	1,221	687
Earnings per share (₹)	97.70	60.44

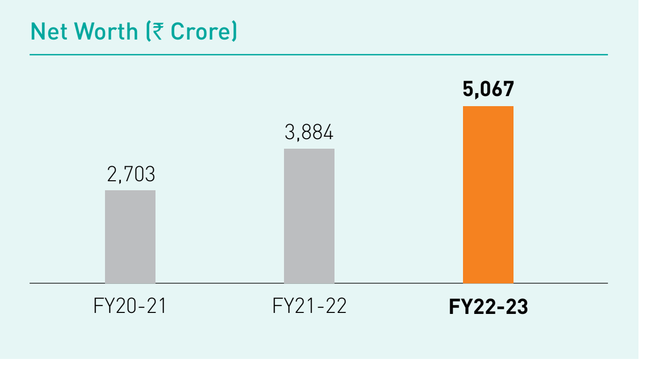
REVENUE MIX FOR KEY PRODUCTS

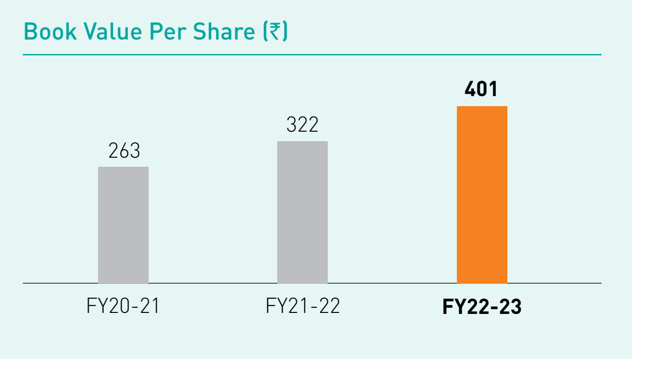
Product	FY23	FY22
TAN (incl. PBS)	37.79%	34.54%
ANP, NPK, Bensulf, WSF	34.39%	32.80%
Nitric Acid	13.29%	12.05%
IPA and Propane	4.64%	9.28%
Outsourced Bulk Fertilisers	4.41%	6.26%
Outsourced Agro Speciality	4.37%	1.08%
Bulk Chemical Trading	0.73%	2.75%
Others	0.38%	1.24%

SALES VOLUME IN MT

Products	FY23	FY22
Technical Ammonium Nitrate	501,575	488,219
NPK Fertiliser	376,056	363,594
Nitro Phosphate Fertiliser	192,559	163,887
Concentrated Nitric Acid	167,181	163,713
Bulk Fertilisers Traded	126,012	126,802
Dilute Nitric Acid	83,478	63,369
Liquid Carbon Dioxide	57,512	51,937
Iso Propyl Alcohol	43,932	64,923
Bentonite Sulphur	33,354	32,038
Strong Nitric Acid	26,451	23,917
Traded Chemical	9,460	28,129
Propane	8,826	11,779
Methanol	-	23,038
Windmill Power ('000 kWh)	NA	11,491

ENHANCING PERFORMANCE QUOTIENT





BUSINESS OUTLOOK

IC: The demand outlook is stable to strong across the major customer segments like Pharma, Agro, Food, Specialty Chemicals etc. This also reflects in the investments done by the Company's customers in expanding capacities, entering newer markets and launching newer products. In FY24, some of the Company's long-term contracts will start kicking in, bringing stability in future outlook.

Pricing of one of the key raw materials, Propylene, is expected to remain stable, after a volatile period during FY23 driven by the pandemic and other factors. Ammonia prices are also cooling off, post the steep rise seen in FY23, driven by gas shortage in Europe due to Russia-Ukraine conflict. These key raw materials are expected to follow typical inherent demand-supply factors rather than other issues.

Margins are expected to be stable with robust demand prospects and stability in key raw material pricing. Additionally, several actions undertaken to grow the specialty chemical portfolio, will enable the Company to launch a few new products in the coming year, further aiding in margin stabilisation.

TAN: Business recorded robust growth in FY23 and the trend is expected to continue in FY24. The demand for power is expected to be strong which in turn will drive coal mining demand. Driven by Government's spending on infrastructure projects, the demand for cement, steel and rock aggregates is also expected to improve. All this will result in increased explosives demand in the mining and infrastructure segments, which will have a positive effect on the demand of all TAN products.

The Company has full range of locally manufactured Technical Ammonium Nitrate and combining it with Technical Services & Technology, the Company is confident of contributing positively to India's growth story, by delivering value through productivity improvement projects to the end consumers in mining and infrastructure industries.

CNB: IMD has predicted normal southwest monsoon with minor impact of El Niño post June. In FY23, normal monsoon resulted in better groundwater status which will lead to good season in coming years. Prices of key raw materials such as ammonia, phosphoric acid and MOP are reducing, which will aid in margin improvement. Leveraging last three season response to Croptek and Solutek, the team is focussing on research-based approach to align itself with the needs of the agriculture sector. The Company's focus is on innovation and development of products like Croptek, Solutek etc. which enhance efficiency, promote balance crop nutrition management, improve soil health, increase crop productivity and achieve improvement in nutritional quality of crop produce. The Company will continue to increase focus on crop-specific nutrient solution to capitalise on various farmer reach initiatives in the last 5 years.

AS A PART OF ORGANIC GROWTH, THE COMPANY IS COMMITTED TOWARDS LOW-COST DEBOTTLENECKING AND SUSTAINED RAMP-UP OF PRODUCTION CAPACITIES. FEW DEBOTTLENECKING PROJECTS ARE IN PROGRESS FOR TAN, WNA AND NPK PLANTS

VARE: Creaticity is expected to consolidate its occupancy at 80-85% level during FY24 with addition of few reputed brands/organisations in its premises. Short-term outlook is to protect centre sales and grow steadily. The longer-term approach is to establish solution selling as a value proposition through Creaticity branded interiors manifested through a curated house of design-oriented brands and complete home & interior solutions serving the home makers, architects, designers and builder community. Improved customer satisfaction and occupant satisfaction index will improve the overall perception of the brand.

MANUFACTURING

The Company has undertaken various initiatives to ensure optimum plant utilisation levels, thereby improving availability and efficiency. As a part of organic growth, the Company is committed towards low-cost debottlenecking and sustained ramp-up of production capacities.
Few debottlenecking projects are in progress for TAN, WNA and NPK plants.

Operational Excellence & Ways-of-Working

Total Productive Maintenance (TPM) and Process Safety Management (PSM) are critical components of operations for DFPCL. In FY23, the Company continued to implement TPM & PSM practices across all the manufacturing facilities through training employees on TPM and PSM principles.
In FY24, the Company aims to further strengthen and streamline its practices, processes and policies in Preventive Maintenance, Quality Management, EHS Management, Production Planning, Procurement & Supply Chain Management, Project Management. This will result in significant improvement in equipment uptime and utilisation, efficiencies, safety, and optimisation of inventory and costs.

EHS & Sustainability

The Company gives due importance to Environmental, Health, and Safety (EHS) & Sustainability in day-to-day operations. In FY23, EHS initiatives and sustainability programmes were aimed at minimising impact on the environment while ensuring the health and safety of employees and the communities near the area of operations. The Company ensures highest standards of health and safety are maintained across all plants. The Company has implemented several initiatives to improve safety culture, including training programmes, safety audits, and hazard identification programmes. The Company is committed to further enhancing EHS & Sustainability initiatives, including use of technologies, to improve environmental monitoring, recognising the threat of climate change, and need to curb greenhouse emissions.

The Company proactively has undertaken measures beyond regulatory obligations to invest in abatement technologies in one of its nitric acid plant. Aligning to the UN Sustainable Development Goals, the Company is working to implement energy-efficient technologies, renewable energy, water conservation & waste reduction initiatives. As a part of Extended Producer Responsibility (EPR), the Company is focussing on responsible plastic waste management across the value chain. To foster a strong safety culture and ensure the health and well-being of all employees, the Company will invest in employee training. EHS and Sustainability are of prime importance to the Company and it is continuously striving for excellence in this area.

Smart Factory

The Company is committed towards digital transformation, for which certain initiatives and pilot projects were undertaken in FY23. Based on the visioning exercise, the Company will chalk out the roadmap for its digital journey. This will include implementation of IoT-enabled sensors and control systems, automation, digitalisation, digital twins, predictive analytics, data historians and dashboarding, enhancement of manufacturing and administrative processes and reporting, and improvement in production efficiency, plant availability, and enhanced quality control. The Company is looking to leverage use of advanced technologies such as artificial intelligence and machine learning to further optimise its manufacturing processes.

Sales & Operation Planning (S&OP)

In FY 2021-22, the Company had successfully implemented state-of-the-art Sales & Operation Planning Solution under Project Galaxy 1.0 to improve the Planning process integrating the key elements of Demand, Manufacturing, Procurement and Despatches.

ALIGNING TO THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS, THE COMPANY IS WORKING TO IMPLEMENT ENERGY-EFFICIENT TECHNOLOGIES, RENEWABLE ENERGY, WATER CONSERVATION & WASTE REDUCTION INITIATIVES

The current environment presents a unique opportunity to transform and digitise operations across value chain and capitalise on headroom for growth. To fuel the Company's digital transformation journey and to realise our vision of connected planning via a single platform, the Company is now undertaking Project GALAXY 2.0. The project will enable us to traverse beyond planning efficiencies and improve agility across functions and leverage cross-functional synergies to achieve planned targets.

GALAXY 2.0 will take us closer to our vision of providing differentiated experience across all aspects of customer interactions and will enable us to serve best-in-class capabilities like Available to Promise. It will help us get more agile in planning, better anticipate customer needs, and provide better visibility to internal and external stakeholders across the value chain.

RAW MATERIAL

The world witnessed historic price levels across all major chemicals/petrochemicals/fertiliser inputs due to sudden demand surge post-Covid followed by geopolitical tensions (impact on gas, ammonia, potash), sanctions (Belarus: impact on potash) and quota restrictions posed by major exporters (China: impact on all fertilisers). Industry, governments and customers across geographies have chosen to ensure continuous availability as the sole objective despite spiralling prices.

As every challenge opens up new opportunities, the Company impetus has shifted towards sustainable long-term strategic arrangements for securing all the key raw materials with trade across new territories, with new partners ensuring uninterrupted supply of all key inputs. While the Company has already invested in world scale ammonia plant to secure this key raw material, the focus now is on strategic alliances for securitisation of Phosphoric Acid, MOP, AS, etc., while continuing to explore green chemistry to help achieve decarbonisation goal set up by the Government of India.

DFPCL leveraged the evolving situation and has been successful in ensuring availability of key raw materials at industry benchmarks to cater to its wide customer base through quickly roping in multiple suppliers for each raw material, more importantly from different origins.

RISK MANAGEMENT

The Company's well-structured Risk Management Policy framework is adept to tackle changes in regulatory environment, development in technology and disruptions in financial markets. The Company's robust model absorbs market volatility. The Risk Management Policy and framework is reviewed by the Risk Management Committee periodically to ensure its robustness and effectiveness to deal with unforeseen risks. Business level committee comprising of key business and functional heads periodically review the effectiveness of existing controls and implementation of risk mitigation plans.

Strategic business planning activities and the risk management process are well integrated to deal with new and emerging as well as existing risks. Identification and evaluation of underlying critical assumptions for key internal and external risks, associated with different business vertical strategies is carried out periodically. A detailed review of the risk management practices is carried out by the Risk Management Committee. It also evaluates the implementation status as reported by the Internal Committee. Quantitative, semi-quantitative and qualitative assessment of the entity level key risks enable to take timely action for risk mitigation. The Risk Management Committee apprises the Board on the effectiveness of the Risk Management Framework. Any new entity level risks identified, along with the appropriate risk response mechanism are brought to the notice of the Board.

Sunset view of the K-1 plant taken from Propylene unloading area, with Prilling Tower and Nitric Acid Plants seen in the background

STRENGTHS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Strengths

- Strong fundamentals backed by robust knowledge and rich extensive experience in manufacturing and financial prudence
- Strong management team with in-depth industry experience
- Well established and trusted brand among its end users across business segments
- Robust dealer network and loyal customer base across market segments in India
- Diversified product portfolio, servicing consumers across diversified sectors
- Integrated Plant operation along with world-class technologies
- Expertise in handling Ammonium Nitrate (production, storage and logistics) under strict compliance with 'AN Rules'
- Location advantage due to proximity to key customers
- Well established supply chain logistic junction
- Strong systems and process backed with IT systems/tools
- Backward integration to produce Ammonia, a key raw material for DFPCL group

Opportunities

- Growth in Indian economy presents significant opportunities for DFPCL since it caters to the critical sectors of the country
- Transition from commodity to value-added and differentiated products and services
- Manufacturing shift of chemical intermediates to India becoming more and more evident with time
- Government's initiatives to improve agricultural productivity by improving soil nutrient balance, encouraging NPK sector
- Government's Aatmanirbhar Bharat and Pharma Vision 2023 to strengthen domestic industries and encourage "Make in India"
- Strengthening of market position via diversification and expansion projects
- Forward integration to develop comprehensive product portfolio
- Enhanced focus on digital to better connect with end consumers via social media and mobile applications
- Growing area under micro irrigation and demand for nutrient-based fertilisers

Threats

- Trade tension led by ongoing Russia-Ukraine war and geopolitical issues
- Abrupt regulatory interventions/ policy change impacting our business
- Abnormal volatility in prices of key raw material such as 'Ammonia, Phosphoric Acid, Propylene and Natural Gas' along with forex fluctuation impacting raw material pricing
- Potential threat of new entrants which could adversely impact our market share
- Delay in regulatory clearances for new ongoing projects capex

Risks and Concerns

- Dependence on imported raw materials like Phosphoric Acid, Potash and Ammonium Sulphate
- Working capital intensive business with dependence on Government subsidy
- Lag effect of passing the increaseinrawmaterialpricetoend customers
- Wider pricing gap between natural gas and imported ammonia, if any

HUMAN RESOURCES

The Company continued its efforts to further strengthen culture change, capability development, organisation design and people process digitisation with the aim of building an agile and efficient system, ready to deliver business performance.

Culture Change: DFPCL rolled out a well-structured intervention for enhancing managerial capability for the leadership team and to develop a culture of coaching, which can then cascade down to the team to instil solution-orientation and innovation among other aspects. Additionally, the Company leveraged 360-degree feedback mechanism to further reinforce the culture of giving and receiving feedback, to improve team effectiveness thereby enabling the achievement of business objectives.

Capability Development: DFPCL embarked on role specific competency mapping exercise to identify role based developmental opportunities pertaining to specific technical/functional, and behavioural competencies and to design targeted interventions as opposed to generic training programmes. Periodic learning interventions across sectors and functions were conducted to ensure that individuals are well equipped with required contemporary skills and are business ready. The Company filled several leadership level positions in-house through these targeted development efforts, in-line with the practice of capability development & providing opportunity to internal talent first.

Organisation Design and Effectiveness: With growth in size and scale, DFPCL's business strategy has also evolved. Consequently, organisational structure needed to change to remain agile and function efficiently. The Company made it a point to periodically relook at the organisational structure and make the necessary changes pertinent to the business needs. In addition, decision-making with empowerment at different levels resulting from the changes in structures and associated processes is being revisited as need arises. While driving above changes, focus has been on building a culture of innovation as an enabler to help drive business growth.

Digitisation: The Company is committed to investing in technology to build value for the stakeholders by building efficiency in the system and automating routine activities, thereby releasing the bandwidth of stakeholders to be utilised in relevant productive activities. In critical areas of people processes, the Company has consciously switched from manual operations to digital platforms and solutions to have access to real-time data to enable accurate decision-making and to connect with employees at various stages of organisation processes to improve engagement thereby resulting in enhanced business operations.

TO FUEL THE COMPANY'S DIGITAL TRANSFORMATION JOURNEY AND TO REALIZE OUR VISION OF CONNECTED PLANNING VIA A SINGLE PLATFORM, WE ARE NOW UNDERTAKING PROJECT GALAXY 2.0. THE PROJECT WILL ENABLE US TO TRAVERSE BEYOND PLANNING EFFICIENCIES AND IMPROVE AGILITY ACROSS FUNCTIONS AND LEVERAGE CROSS-FUNCTIONAL SYNERGIES TO ACHIEVE PLANNED TARGETS

While the Company has already implemented numerous solutions and are in the process of implementing a few others, it is a constant endeavour to continue exploring opportunities where it can be value accretive for the business.

In FY24, DFPCL would be looking forward to leveraging the investments in human capital, digital solutions, and agile workforce to deliver superior business performance through a competent and engaged workforce.

INFORMATION TECHNOLOGY & AUTOMATION

Over the period of last four to five years, with focussed interventions around digitisation, the organisation has reached certain level of maturity in creating robust digital backbone to support business operations effectively. During FY23, the focus around digitation was more towards taking the efficiencies to the next level by leveraging digital, which includes planning, forecasting, and optimisation of the key business levers. Consumer insights are also one of key focus areas.

In order to traverse the next leg of digitisation journey, organisation is working on creating a long-term digital roadmap across businesses and manufacturing operations. This would enable DFPCL's growth journey in the coming years.

Manufacturing operations efficiency in terms of throughput and cost efficiency is one of the key themes emerging out of the interventions planned. Adoption of holistic framework of Industry 4.0, connected planning, logistics execution and

Main control room, Dahej Plant

supplier collaboration are the areas where digital is being leveraged by the organisation.

The foundational digital framework that has been established in the last few years, is now helping the Company to create single source of truth. The decision support framework is being further strengthened. This has also helped to start the journey towards using data and leveraging new edge solutions like AI/ML to provide predictive insights to the business teams and be more resilient and customer-focussed.

The continuous evolvement of the cyber security threat landscape, continuous efforts and interventions are taken up to mature organisation's management and response capabilities of handling such threats. The cyber security framework implemented by the organisation is recognised by various certifying bodies.

INTERNAL CONTROL SYSTEMS

DFPCL has laid down well defined scope of internal controls and audit process. There is significant emphasis given to ensure that the key management personnel adhere to the best practices. The Company has adequate internal controls commensurate with the nature of the Company's business and size of its operations, to effectively provide for the safety of the assets, reliability of financial transactions with adequate checks and balances, compliance with prevalent statutes, regulations, management authorisation, policies & procedures, and to ensure optimum use of the available resources.

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

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

The Company has budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. Further, the Company has SAP S/4 HANA system to help improve operational efficiencies and business decision-making capabilities across financial reporting, organisational structure and various business processes which are reviewed and validated by external experts. The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) of the Companies Act, 2013 to authenticate implementation of the Company policies across businesses, protect intellectual property, prevent and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Audit Committee has concluded that, as of 31st March, 2023, DFPCL's internal financial controls were adequate and operating effectively.

CAUTIONARY STATEMENT

The document contains statements about expected future events, financial and operating results of Deepak Fertilisers and Petrochemicals Corporation Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Deepak Fertilisers And Petrochemicals Corporation Limited's Annual Report, FY23.

Notice

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

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

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

NOTICE is hereby given that the **Forty-Third Annual General Meeting** of **DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED** will be held on **Friday, 1st September, 2023 at 11.00 a.m.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

• ORDINARY BUSINESS

1. To consider and adopt: (a) the audited financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the report of Auditors thereon and in this regard, if thought fit, to pass the following resolutions as **ORDINARY RESOLUTIONS:**

   a. "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b. "**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To declare a dividend on equity shares for the financial year ended 31st March, 2023 and pass the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** a dividend at the rate of ₹ 10/- (Rupees Ten) per equity share of ₹ 10/- (Rupees Ten) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2023 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2023."

3. To appoint Smt. Parul Mehta (DIN: 00196410), who retires by rotation as a Director and in this regard to consider and if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Smt. Parul Mehta (DIN: 00196410), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

• SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any {including any statutory modification(s) or re-enactment thereof for the time being in force}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Harshad S. Deshpande & Associates, Cost Accountants (Registration No. 00378) appointed as the Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the Financial year ending 31st March, 2024, amounting to ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses in connection with the said audit, be and is hereby ratified and confirmed.

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

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

   "**RESOLVED THAT** pursuant to the provisions of Section 197 read along with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Articles of Association of the Company, in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors of the Company and its Committees thereof, the approval of shareholders of the Company be and is hereby accorded for paying commission not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed amongst the directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors, if any) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall deem to include any Committee(s) constituted/to be constituted by the Board to exercise its powers conferred by this resolution) and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from 1st April 2024.

RESOLVED FURTHER THAT for giving effect to above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, without being required to seek any further consent or approval of the members of the Company."

	By Order of the
Dated: 17th May, 2023	**Board of Directors**
Registered Office:	**Gaurav Munoli**
Sai Hira, Survey No. 93	**Company Secretary**
Mundhwa, Pune - 411 036	**ACS 24931**

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 28th December, 2022 read with circulars dated 5th May, 2022, 13th January, 2021, 5th May, 2020, 13th April, 2020 and 8th April, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular dated 5th January, 2023 read with circulars dated 13th May, 2022, 15th January, 2021 and 12th May, 2020 (collectively referred to as 'SEBI circulars'), permitted the holding of the Annual General Meeting ("AGM") through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and the aforesaid MCA Circulars and SEBI Circulars, the 43rd AGM of the Company is being held through VC / OAVM, hereinafter called as 'e-AGM'.

2. The deemed venue for Forty-Third e-AGM shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/ OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Statement pursuant to Section 102 of the Act forms part of this Notice. The Board of Directors at their meeting held on 17th May, 2023 have decided that the special businesses set out under item nos. 4 to 5, being considered 'unavoidable', be transacted at the ensuing e-AGM of the Company.

5. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 10.45 a.m. to 11.15 a.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not put any restriction on the participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

6. Institutional Investors, who are members of the Company are encouraged to attend and vote at the Forty-Third e-AGM of the Company.

7. Members attending the e-AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. In terms of Section 101 and 136 of the Act, read together with the Rules made thereunder, while the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report etc., by electronic mode, pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories.

However, physical copy of the annual Report will be sent on request. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at www.dfpcl.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited (hereinafter referred to as 'KFin') at https://evoting.kfintech.com.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investorgrievance@dfpcl.com.

10. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their e-mail address with:

    a. their respective depository participant, where shares are held in electronic form; and

    b. with KFin Technologies Limited by clicking on the link https://ris.kfintech.com/clientservices/isc/ where shares are held in physical mode.

    The Company has also published an advertisement in the newspaper containing details about the Annual General Meeting (AGM) i.e., the conduct of AGM through VC/OAVM, date and time of AGM, availability of notice of AGM at Company's website, manner of registering the email ID's of those shareholders who have not registered their email ID's with Company/RTA and manner of providing mandates for dividend and other matters as may be required.

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

    a. For shares held in electronic form: to their Depository Participants (DPs)

    b. For shares held in physical form: to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023. In the absence of any of the required documents in a folio, on or after 1st October, 2023, the folio shall be frozen by the RTA.

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

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

12. Since the meeting will be conducted through VC/OAVM facility without the presence of members at a common venue, the Route Map of the Common Venue is not annexed to this Notice.

13. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL https://emeetings.kfintech.com/ and clicking on the tab "Post your Queries" during the period starting from **29th August, 2023 (9.00 a.m.) upto 31st August, 2023 (5.00 p.m.)** mentioning their name, demat account no./ Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

14. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:

    As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of transmission or transposition of securities. Further, SEBI vide its Circular dated 25th January, 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/ unclaimed suspense/ renewal/ exchange/ endorsement/ sub division/ consolidation/ transmission/ transposition service requests received from physical securities holders. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

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

15. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, 26th August, 2023 to Friday, 1st September, 2023** (both days inclusive).

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

    a. Whose names appear as Beneficial owners as at the end of business hours on **Friday, 25th August, 2023** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

    b. Whose names appear as members in the Register of Members of the Company after giving effect to valid requests for transmission of shares, deletion/ transposition of names etc. in physical form lodged with the Registrar & Share Transfer Agents of the Company on or before **Friday, 25th August, 2023**.

16. Members holding shares in physical form are requested to intimate immediately to KFin Technologies Limited, UNIT: Deepak Fertilisers And Petrochemicals Corporation Limited, Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032; Email Id: einward.ris@kfintech.com Phone: 1800 309 4001; Fax No: +91 40 2342 0814, quoting the Registered Folio Number: (a) details of Bank Account / change in Bank Account, if any, to enable the Company to print these details on the Demand draft/bankers cheque; and (b) change in address, if any, with the Pin Code Number.

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

18. Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof) and Rules made thereunder the dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government.

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

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

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

19. **Voting through electronic means:**

    In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular dated 9th December, 2020 on e-voting facility provided by listed entities, the Company is pleased to offer e-voting facility for its Shareholders, to enable them to cast their votes electronically on the resolutions set forth in this notice. For this purpose, necessary arrangements have been made with KFin

Technologies Limited (KFin) to facilitate remote e-voting. The business set out in the Notice can be transacted through such voting.

The instructions for remoting e-voting are as under:

The remote e-voting period begins at **9.00 a.m.** on **Tuesday, 29th August, 2023** and ends at **5:00 p.m.** on **Thursday, 31st August, 2023**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, 25th August, 2023**, may cast their vote electronically through remote e-voting. The facility for voting through electronic voting system shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.

The instructions for members for remote e-voting are as under:

Individual Shareholders (holding securities in DEMAT mode)

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

Individual Shareholders Login through Depositories:

	NSDL		CDSL
1	**User already registered for IDeAS facility:**	**1**	**Existing user who have opted for Easi / Easiest**
i	URL: https://eservices.nsdl.com	i	URL: https://web.cdslindia.com/myeasinew/home/login Or URL: www.cdslindia.com
ii	Click on the "Beneficial Owner" icon under 'IDeAS' section.	ii	Click on New System Myeasi
iii	On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting".	iii	Login with user id and password.
iv	Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	iv	Option will be made available to reach e-Voting page without any further authentication.
		v	Click on e-Voting service provider name to cast your vote.

	NSDL		CDSL
2	**User not registered for IDeAS e-Services**	**2**	**User not registered for Easi/Easiest**
i	To register click on link: https://eservices.nsdl.com	i	Option to register is available at https://web.cdslindia.com/
ii	Select "Register Online for IDeAS"	ii	Proceed with completing the required fields.
iii	Proceed with completing the required fields.		
iv	After successful registration, please follow steps given under Sr. No.1 above to cast your vote.		

	NSDL		CDSL
3	**By visiting the e-Voting website of NSDL**	**3**	**By visiting the e-Voting website of CDSL**
i	URL: https://www.evoting.nsdl.com	i	URL: www.cdslindia.com
ii	Click on the icon "Login" which is available under 'Shareholder/Member' section.	ii	Provide demat Account Number and PAN No.
iii	Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	iii	System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
iv	Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	iv	After successful authentication, user will be provided links for the respective ESP (E-voting Service Provider) where the e-Voting is in progress.
v	Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider.		

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

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
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	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Procedure to login through demat accounts / website of 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. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. 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.

Login method for Non-Individual Shareholders and Shareholders holding securities in Physical Form:

A. In case a shareholder receives an e-mail from the Company / KFin [for shareholders whose e-mail addresses are registered with the Company / Depository Participant(s)]:

i. Launch internet browser by typing the URL: **https://evoting.kfintech.com**.

ii. Enter the login credentials (i.e., use rid and password) mentioned in the email communication. The e-Voting Event Number and your Folio Number or Your DP ID Client ID will be your User- ID.

User – ID: For shareholders holding shares in Demat form:

For NSDL: 8 Character DP ID starting with IN followed by 8 Digits Client ID.

For CDSL: 16 digits beneficiary ID.

User – ID: For shareholders holding shares in Physical Form:

EVEN 7475 followed by Folio No. registered with the Company/ RTA.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e., the alphabets and numbers in the exact way as they are displayed for security reasons.

iii. After entering these details appropriately, Click on 'LOGIN'.

iv. If you are logging in for the first time, you will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the E-Voting Event Number 'EVEN' i.e., Deepak Fertilisers And Petrochemicals Corporation Limited.

vii. On the voting page you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under 'FOR / AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN'. If the shareholder does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.

ix. You may then cast your vote by selecting an appropriate option and click on 'Submit'.

x. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution(s).

B In case of a shareholder whose e-mail address is not registered / updated with the Company / RTA / Depository Participant(s), please follow the following steps to generate your login credentials:

i. Shareholders holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by clicking on https://ris.kfintech.com/clientservices/isc/ or by providing necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy), AADHAR (self-attested scanned copy) by email to evoting@kfintech.com and cc to the Company at investorgrievance@dfpcl.com.

ii. Shareholders holding shares in dematerialised mode, shall provide Demat account details (CDSL - 16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to evoting@kfintech.com and cc to the Company at investorgrievance@dfpcl.com.

iii. After due verification, the Company/Kfin will forward your login credentials at your registered e-mail address.

In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting i.e., 25th August 2023 such member may obtain the user ID and password from KFin by sending request on evoting@kfintech.com from registered e-mail ID. In case the e-mail ID is not registered, such members may, subject to procedure listed out at Sr. No. 11 obtain the necessary details.

PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFIN (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):

I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.

b. Members holding shares in physical form may register their email address and mobile number with KFin Technologies Limited by sending Form ISR-1 and other relevant forms to KFin Tower-B, Plot No. 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, India – 500 032 or at the email ID einward.ris@kfintech.com for receiving the AGM Notice and the e-voting instructions.

II. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFin to enable serving of notices / documents / Annual Reports and other communications electronically to their email address in future.

GENERAL INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTION

i. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter etc. authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said Resolution / Authority Letter etc. shall be sent to the Scrutinizer by an e-mail at cs@svdandassociates.com and mark copy to investorgrievance@dfpcl.com. It should reach the Scrutinizer on / before **31st August, 2023 at 5.00 p.m.** They may also upload the same in the e-voting module in their login.

ii. The scanned image of the above-mentioned documents should be in the naming format "Deepak Fertilisers And Petrochemicals Corporation Limited – AGM.

iii. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the 'Downloads' section of the e-voting website of KFin Technologies Limited https://evoting.kfintech.com/

iv. The voting rights shall be as per the number of equity shares held by the Member(s) as on relevant date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

v. Members who have acquired shares after the dispatch of the Notice of Annual General Meeting and before the cut-off date i.e. 25th August, 2023 may obtain the User ID and Password by sending a request at evoting@kfintech.com or investorgrievance@dfpcl.com.

20. Members are requested to note that pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 (SS-2), brief particulars including shareholding of the Directors proposed to be re-appointed is given at the end of the Notice and forms part of the Notice.

21. **Voting at e-AGM**

i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.

ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.

iii. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and e-voting at Annual General Meeting shall be treated as invalid.

iv. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

v. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.

vi. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

Instructions for members for attending the e-AGM:

- Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin, which can be accessed at https://emeetings.kfintech.com/ by clicking ''Video Conference'' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders / members' login where the EVENT and the Name of the Company can be selected.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts would be made to make the VC / OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https:// emeetings.kfintech.com/ and clicking on the tab "Speaker Registration" during the period starting from

Tuesday, 29th August, 2023 (9.00 a.m.) upto Thursday, 31st August, 2023 (5.00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

- A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com

- Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

- Mr. Sridhar Mudaliar, Partner, SVD & Associates, Practising Company Secretaries, (Membership No. FCS 6156, CP No. 2664) or failing him Mrs. Sheetal Joshi, Partner, SVD & Associates, Practicing Company Secretaries (Membership No. FCS 10480, CP No.11635) have been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.

- The Chairman shall formally propose to the shareholders / members participating through VC/ OAVM facility to vote on the resolutions as set out in the Notice of the e-AGM and announce the start of the casting of vote at e-AGM through the e-voting system of KFin.

- The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- The Results declared along with the report of the Scrutiniser shall be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

DIVIDEND RELATED INFORMATION

The dividend, as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to shareholders holding equity shares of the Company, as stated in note no. 15.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by the Company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source u/s 194, 195 and 196D of Income Tax Act, 1961 depending upon the status and category of the Shareholders at the time of making the payment of the said Dividend.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Demand drafts/banker's cheque will be despatched to the registered address of the shareholders who have not updated their bank account details.

ELECTRONIC CREDIT OF DIVIDEND:

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

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

In case, the Company is unable to pay dividend to any Member by the electronic mode due to non-availability of the details of the bank account, the Company shall dispatch the Demand draft/banker's cheque to such Member by post/courier.

TDS PROVISIONS AND DOCUMENTS REQUIRED FOR RESPECTIVE CATEGORY OF SHAREHOLDERS

Resident Shareholders

For resident shareholders, generally, the tax will be deducted at source (TDS) under Section 194 of the Act at the rate of 10% on the amount of dividend declared and paid by the Company during FY 2023-24 provided valid Permanent Account Number (PAN) is provided by the shareholder. Shareholders are requested to ensure Aadhar number is linked with PAN, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%. If PAN is not submitted/is inoperative/is invalid, TDS would be deducted @ 20% as per Section 206AA of the Act.

Resident individual shareholders

In the case of resident individuals, TDS would not apply if the aggregate of total dividend distributed or paid to them by the Company during FY 2023-24 does not exceed Rs. 5,000.

Separately, TDS will not be deducted in cases where a shareholder provides a written declaration in prescribed Form 15H (for individual at or above the age of 60 years with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) / Form 15G) (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax as per the provisions of the Act), subject to eligibility conditions being met.

Blank Form 15G and 15H can also be downloaded from the website of the Company viz. https://www.dfpcl.com/forms. Needless to mention, PAN will be mandatorily required along-with such declarations. Please note that all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law or the form is otherwise incomplete in any manner.

Resident shareholders (other than individuals):

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

- Insurance Companies: Self declaration by public & other insurance companies that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and that it has a full beneficial interest with respect to the shares owned by it along with PAN. Self-attested copy of valid IRDAI registration certificate also needs to be submitted.

- Mutual Funds: Self-declaration that they are specified and covered under Section 10 (23D) of the Act along with a self-attested copy of PAN card and copy of SEBI registration certificate.

- Alternative Investment Fund (AIF): AIF established/ incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and SEBI registration certificate.

- New Pension System (NPS) Trust: Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) granting approval to the Scheme along with self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.

- Recognized Provident Fund/ Approved Superannuation Fund/ Approved Gratuity Fund : Self-attested copy of a valid order from Commissioner under Rule 2 of Part B or Rule 2 of Part C or Rule 3 of Part A, of Fourth Schedule to the Act, as the case may be, and/ or self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the fund being established under a scheme framed under the applicable statute needs to be submitted along with a self-attested copy of the PAN card.

- Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income: - Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.

- Other Resident Non Individual Shareholders: Shareholders who are exempted from the provisions of TDS as per Section 194 of the Act and/ or who are covered u/s 196 of the Act and/or any other provisions of the Income Tax Act, 1961 (e.g.: entities as provided in

CBDT Circular No.18 of 2017), shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of it being entitled to the exemption available.

In addition to the above, above-mentioned entities should also give declaration in the specified form.

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

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

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

- Self-attested copy of Permanent Account Number (PAN Card), if any allotted by the Indian Income Tax authorities;

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident for the period between April 1, 2023 to March 31, 2024. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would be provided

- In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) tax residency certificate from the Government of that country or specified territory (f) Tax Identification Number of the residency country;

- Self-declaration in Form 10F for FY 2023-24 for Non-resident shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link https://eportal.incometax.gov.in/ with effect from April 1, 2023 to avail the benefit of tax treaty. However, in view of the CBDT notification vide F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227, dated 12-12-2022 and F No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420, dated 28-03-2023, Non-resident taxpayers not having PAN and also not required to have PAN as per the relevant provisions of the Income Tax Act, 1961 have been exempted from mandatory electronic filling of Form 10F till 30th September 2023. Therefore, such category of taxpayers may make the statutory compliance of furnishing of Form 10F in manual mode till 30th September 2023 (Format can be downloaded from the website of the Company viz. https://www.dfpcl.com/forms);

- Self-declaration by the non-resident payee of meeting tax treaty eligibility requirements including fulfillment of the Principal Purpose Test, No Permanent Establishment / fixed base in India, satisfying the beneficial ownership requirement in accordance with the applicable tax treaty; if any, under the applicable tax treaty (Format can be downloaded from the website of the Company viz. https://www.dfpcl.com/forms);

- In case of Foreign Institutional Investors and Foreign Portfolio Investors, in addition to the above details, copy of SEBI registration certificate will also be required.

It is imperative that shareholders independently satisfy their eligibility to claim tax treaty benefit including meeting all conditions laid down by tax treaty.

The Company is not obligated to apply the beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial tax treaty Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

Notwithstanding anything contained in other part of this communication, where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A of the Act .

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

The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

i. At twice the rate specified in the relevant provision of the Act; or

ii. At twice the rates or rates in force; or

iii. At the rate of 5%

The 'specified person' means a person who has:

a. Not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired; and

b. the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

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

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

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

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

DIVIDEND INCOME ASSESSABLE IN THE HANDS OF PERSON OTHER THAN DEDUCTEE

If in terms of Rule 37BA of the Income Tax Rules 1962 ('the Rules'), the dividend income on which tax has to be deducted at source is assessable in the hands of a person other than the deductee, then such deductee should also file a declaration with Company in the manner prescribed in the Rules. The format of Declaration can be downloaded from the website of the Company viz. https://www.dfpcl.com/forms;

SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:

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

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

Shareholder Category	Rate of TDS
Resident Shareholders	
Shareholders providing Form 15G/15H	NIL
If Dividend income=< 5000	NIL
If Dividend income > ₹ 5,000	- **10%** in case where PAN is provided / operative/valid/ linked with Aadhar - **20%**, in other cases where PAN is not provided / not available/inoperative/not linked with Aadhar/non-filers of return of income u/.206AB
Non-Resident Shareholders	
Non-resident Shareholders	- ***20%** or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned. - ***40%** in case where shareholder is non-filer of return of income u/s. 206AB and not furnished No PE declaration

Kindly note that the aforementioned document should be uploaded with KFin Technologies Limited, the Registrar and

Transfer Agent ("KFin") at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com on or before 15th August, 2023 in order to enable the Company to determine appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post 15th August, 2023.

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

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

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

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

In this regard, the Company had also sent a communication to all the shareholders via email on 21st July 2023 and had also published a newspaper advertisement on 1st August 2023.

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

KPRISM – Mobile service application by KFin:

Members are requested to note that KFin has launched a mobile application – KPRISM and a website https://kprism.kfintech.com/signin.aspx for online service to Members. Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by KFin, Dividend status, requests for change of address, change/update Bank Mandate. Through the Mobile application, Members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

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

EXPLANATORY STATEMENT

Item No. 4

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

On the recommendation of Audit Committee, the Board at its meeting held on 17th May, 2023 considered and approved appointment of M/s Harshad S. Deshpande & Associates, Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs Twenty-Five Thousand Only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses for the Financial year ending 31st March, 2024.

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

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

Item No. 5

The members may note that the provisions of Section 197 of the Companies Act, 2013, (the 'Act') permits payment of remuneration to a director, who is neither a whole-time director nor a managing director of a company, by way of commission not exceeding one percent of the net profits of the company, if the company authorises such payment. Accordingly, the Members of the Company at their Annual General Meeting held on 18th September, 2018 had approved such payment of commission for a period of five financial years commencing from 1st April, 2019.

The Non-Executive Directors and the Independent Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems, and finance etc. Further, in view of the increased demand on non-executive directors' participation in Board and Committee meetings and the higher responsibilities they are expected to bear in the interest of higher levels of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to continue to pay such commission to the non-executive directors for a further period of five years from 1st April, 2024 up to 31st March, 2029.

Considering the above and the valuable services being rendered by Non-Executive Directors and the Independent Directors, the Board of Directors at their meeting held on 17th May, 2023 have approved, subject to the approval of members and subject to the limit specified under Section 197 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) payment of remuneration by way of commission for a further period of five years commencing with from 1st April, 2024 and as determined in accordance with the provisions of Section 198 and all other applicable provisions of the Companies Act, 2013, provisions of Listing Regulations and the Articles of Association of the Company

The amount of commission shall be payable each year after the annual accounts are approved by the Board of Directors and adopted by the members.

Within the overall limit approved by shareholders, the Board of Directors determines, on the recommendation of Nomination and Remuneration Committee, commission for Directors based on several parameters including attendance at Board/ Committee meetings.

None of the Directors/key managerial personnel and/or their relatives, except the concerned non-executive directors may be deemed to be concerned or interested, directly or indirectly, financially or otherwise, to the extent of their shareholding, if any, and remuneration that may be received by them in the resolution set out in item no. 5 of the Notice.

The Board of Directors recommends Ordinary Resolution set out at Item No. 5 for approval by the Members of the Company.

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

[In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Smt. Parul S. Mehta
DIN	00196410
Date of Birth	17th March, 1965
Age (years)	58
Qualification	B.Com.
Shareholding in the Company	1,409 shares
Date of Appointment	20th October, 2005
Major Directorships	1. Deepak Fertilisers And Petrochemicals Corporation Limited 2. Nova Synthetic Limited 3. Mahadhan AgriTech Limited 4. Performance Chemiserve Limited 5. Hightide Investments Private Limited 6. Robust Marketing Services Private Limited
Listed Entities from Which the proposed director has resigned in the past three years	Nil

Name of the Director	Smt. Parul S. Mehta
Relationship between the Directors inter-se	Smt. Parul S. Mehta is the spouse of Shri S. C. Mehta, Chairman and Managing Director of the Company
Stakeholders' Relationship Committee	Deepak Fertilisers And Petrochemicals Corporation Limited - Member
Corporate Social Responsibility Committee	Deepak Fertilisers And Petrochemicals Corporation Limited – Member. Mahadhan AgriTech Limited – Member

Board's Report

To the Members

Your Directors have pleasure in presenting the Forty-Third Annual Report together with Audited Accounts of the Company for the Financial Year ended 31st March, 2023.

FINANCIAL RESULTS

The summarized financial results for the year are as under:

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		2022-23	2021-22	2022-23	2021-22
1	Total Revenue (including Other Operating Revenues)	2,34,982	2,28,944	1,130,069	7,66,329
2	Profit before tax	39,014	26,620	181,552	1,01,253
3	Less:				
	a) Current Tax (Net)	8,855	6,705	55,178	31,489
	b) Deferred Tax	1,025	137	4,286	1,016
4	Net Profit after tax (2 - 3)	29,134	19,778	59,464	32,505
5	Net profit attributable to:				
	a) Owners of the Company	29,134	19,778	1,21,010	67,827
	b) Non-controlling interest	NA	NA	1,078	921
6	Other comprehensive income for the year:				
	a) Owners of the Company	(965)	671	(1,039)	745
	b) Non-controlling interest	NA	NA	(76)	59
7	Total Comprehensive Income for the year				
	a) Owners of the Company	28,169	20,449	1,19,971	68,572
	b) Non-controlling interest	NA	NA	1,002	980
8	Add: Surplus brought forward	1,48,423	1,36,757	262,953	2,04,771
9	Amount available for Appropriations (5a + 8)	1,77,557	1,56,535	3,83,963	2,72,598
10	Appropriations:				
	a) Increase in non-controlling interest due to issuance of share capital	-	-	(339)	(1,533)
	b) Dividend on Equity Shares (Net)	(10,853)	(8,112)	(10,853)	(8,112)
	c) Tax on Proposed Dividend (Net)	-	-	-	-
11	Surplus carried to Balance Sheet (9 + 10)	1,66,704	1,48,423	373,110	2,62,953

STATE OF AFFAIRS OF THE COMPANY

Your Company has achieved a total revenue of ₹ 2,350 Crore (including ₹ 230 Crore from trading operations) during the year under review as against previous year's level of ₹2,289 Crore (including ₹ 525 Crore from trading operations). Profit Before Tax (PBT) for the year under review was ₹ 390 Crore as against ₹ 266 Crore in the previous year. Net Profit for the current year was recorded at ₹ 291 Crore as against ₹ 198 Crore in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

As reported in the previous annual reports, the Company had issued Foreign Currency Convertible Bonds (FCCBs) to

International Finance Corporation (IFC). The details of FCCBs issued are as given below:

Date	Tranche	No. of FCCBs	Face value	Amount
19th October, 2019	First	30	US$ 500,000 each	US$ 15 million (Approx. ₹ 107 Crore)
30th September, 2020	Second	30	US$ 500,000 each	US$ 15 million (Approx. ₹ 109 Crore)

CONVERSION OF FIRST TRANCHE OF FCCB'S

In the previous year i.e., FY 2021-22, the Company upon receipt of conversion notice from IFC on 23rd June, 2021, requesting the Company to convert First Tranche of FCCBs into equity shares, has allotted 54,76,831 equity shares of the Company at ₹ 195/- per share on 1st July, 2021.

CONVERSION OF SECOND TRANCHE OF FCCB'S

During the year under review, the Company upon receipt of conversion notice from IFC on 29th August, 2022, requesting the Company to convert Second Tranche of FCCBs into equity shares, has allotted 56,44,877 equity shares of the Company at ₹ 195/- per share on 1st September, 2022.

As on 31st March, 2023, no FCCBs issued under the First and Second Tranche are outstanding.

ISSUE OF COMPULSORY CONVERTIBLE DEBENTURES (CCDS) BY MATERIAL SUBSIDIARY i.e., MAHADHAN AGRITECH LIMITED (FORMERLY KNOWN AS SMARTCHEM TECHNOLOGIES LIMITED)

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

Date	Tranche	No. of CCDs	Face value	Amount (₹ in Crores)
16th October, 2019	First	1,050	₹ 10,00,000 each	105
5th October, 2020	Second	1,050	₹ 10,00,000 each	105
Total		**2,100**		**210**

As on 31st March, 2023, the aforesaid CCDs issued in the First Tranche and in the Second Tranche are outstanding.

ISSUE OF EQUITY SHARES THROUGH QUALIFIED INSTITUTIONS PLACEMENT (QIP)

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

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the year under review, the Company has not raised any amount through preferential allotment or qualified institutions placement or any amount that was raised in the earlier financial years were fully utilised as on 31st March, 2022 and hence the provisions of Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were not applicable to the Company during the year under review.

DIVIDEND

Considering the performance of the Company, the Board of Directors of the Company recommends a dividend @ 100% i.e., ₹ 10/- per Equity Share (Previous year ₹ 9 per Equity Share) of ₹ 10 each of the Company for the year ended 31st March, 2023.

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

TRANSFER TO RESERVE

The closing balance of retained earnings of the Company for Financial Year 2022-23 after all appropriations and adjustments was ₹ 166,704 Lakhs. During the year, the Company has not transferred any amount to general reserve.

SHARE CAPITAL

During the year under review, the Company has allotted 56,44,877 equity shares of the Company pursuant to the conversion of second tranche of FCCBs. The details of the issue of aforesaid shares have been provided in the General Shareholder Information. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

The paid-up equity share capital of the Company as on 31st March, 2023 was ₹ 126.23 Crores.

CHANGES IN THE BOARD OF DIRECTORS

Appointment

Appointment of Independent Directors

During the year under review, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, had approved the appointment of following persons as Additional Directors in the Capacity of Independent Director of the Company as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of shareholders:

Sr. No.	Name of the Director	Tenure and years	Effective from
1	Mr. Sanjay Gupta	First term of 3 consecutive years	2nd February, 2023
2	Mr. Sitaram Kunte	First term of 3 consecutive years	2nd February, 2023
3	Mr. Terje Bakken	First term of 3 consecutive years	20th February, 2023

Further, the shareholders of the Company through Postal Ballot have provided their approval for the aforesaid appointments. The results of Postal Ballot have been intimated to the Stock Exchanges on 2nd May, 2023. All the relevant details of the Postal Ballot have been provided in the General Shareholder Information, which is the part of this Annual Report.

Re-appointment

Re-appointment of Independent Director

During the year under review, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, had approved the re-appointment of Mr. Bhuwan Chandra Tripathi as an Independent Director of the Company for the Second Term for 5 consecutive years w.e.f. 13th February, 2023 pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of shareholders.

Further, the shareholders of the Company through Postal Ballot have provided their approval for the aforesaid re-appointment. The results of Postal Ballot have been intimated to the Stock Exchanges on 2nd May, 2023. All the relevant details of the Postal Ballot have been provided in the General Shareholder Information, which is the part of this Annual Report.

Re-appointment of Shri Sailesh C. Mehta as Chairman and Managing Director of the Company

The Shareholders of the Company, at their Annual General Meeting held on 18th September, 2018, based on the recommendation of Nomination and Remuneration Committee and the Board, had approved the re-appointment of Mr. Sailesh C. Mehta as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st August, 2018.

The Board of Directors, at their meeting held on 24th March, 2023 based on the recommendation of the Nomination and Remuneration Committee, has approved, subject to approval of Members, re-appointment of Mr. Mehta as the Chairman and Managing Director of the Company for a further period of 5 years with effect from 1st April, 2023 with revised monthly salary band within the overall limit of ten percent of the net profits of the Company as per the provisions of the Companies Act, 2013.

Further, the shareholders of the Company through Postal Ballot have provided their approval for the aforesaid re-appointment of Mr. Mehta as Chairman and Managing Director of the Company. The results of Postal Ballot have been intimated to the Stock Exchanges on 2nd May, 2023. All the relevant details of the Postal Ballot have been provided in the General Shareholder Information, which is the part of this Annual Report.

Cessation

Mr. Alok Perti and Dr. Amit Biswas

The shareholders of the Company at their Annual General Meeting held on 14th August, 2019 had approved the appointment of Mr. Alok Perti and Dr. Amit Biswas as Independent Directors of the Company for the first term of 3 consecutive years with effect from 22nd April, 2019.

Subsequently, on the completion of first term of 3 consecutive years on 21st April, 2022, Mr. Alok Perti and Dr. Amit Biswas have ceased to be Independent Directors of the Company.

Mr. Ashok Purwaha

The shareholders of the Company at their Annual General Meeting held on 21st September, 2017 had approved the appointment of Mr. Ashok Purwaha as an Independent Director of the Company for the first term of 5 consecutive years with effect from 7th July, 2017.

Subsequently, on the completion of first term of 5 consecutive years on 6th July, 2022, Mr. Ashok Purwaha has ceased to be an Independent Director of the Company.

The Board places on record its sincere appreciation to the valuable guidance provided by Mr. Alok Perti, Dr. Amit Biswas and Mr. Ashok Purwaha during their tenure as Independent Directors of the Company.

Re-appointment – retiring by rotation

Smt. Parul S. Mehta retires by rotation at the ensuing Annual General Meeting pursuant to provisions of Section 152 of the Companies Act, 2013 and rules made thereunder and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year under review, seven board meetings were held. These meetings were held on 25th May, 2022, 29th July, 2022, 18th October, 2022, 10th November, 2022, 15th December, 2022, 2nd February, 2023 and 24th March, 2023.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Mr. Ritesh Chaudhry, VP- Legal and Company Secretary has resigned from the services of the Company w.e.f. 31st March, 2023 and consequently Mr. Gaurav Munoli, Assistant Company Secretary has been designated as Company Secretary and Compliance Officer of the Company.

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

During the year under review, Mr. Sanjay Gupta, Mr. Sitaram Kunte and Mr. Terje Bakken were appointed as an Independent Director of the Company. Further, Mr. Bhuwan Chandra Tripathi was re-appointed as an Independent Director of the Company.

The Board is of the opinion that Mr. Sanjay Gupta, Mr. Sitaram Kunte, Mr. Terje Bakken and Mr. Bhuwan Chandra Tripathi are persons of high integrity and reputation and has the requisite expertise and experience including the proficiency.

COMPOSITE SCHEME OF ARRANGEMENT BETWEEN SUBSIDIARIES OF THE COMPANY

The Board of Directors of the Company has approved Composite Scheme of Arrangement between Mahadhan AgriTech Limited (MAL) (Formerly Known as Smartchem Technologies Limited) (Demerged Company or Transferee Company), Deepak Mining Solutions Private Limited (DMSPL) (Resulting Company) and Mahadhan Farm Technologies Private Limited (MFTPL) (Transferor Company) and their respective shareholders in accordance with the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

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

This will result into creating holistic business entities housed in identified corporate entities.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

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

to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The Hon'ble Delhi High Court asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted on 31st August, 2023.

INDIAN ACCOUNTING STANDARDS, 2015

The annexed financial statements for the Financial Year 2022-23 and corresponding figures for 2021-22 comply in all material aspects with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, and prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of this Annual Report.

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and based on the guidance and insights from the Auditors and pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

i. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. the accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2023 and of the profit and loss of the Company for that period;

iii. proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts are prepared on a going concern basis;

v. internal financial controls, to be followed by the Company are duly laid down and these controls are adequate and were operating effectively; and

vi. systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) of the Companies Act, 2013

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.

STATUTORY AUDITORS AND THEIR REPORT

The Shareholders of the Company at the Forty-First Annual General Meeting held on 26th August, 2021 had accorded their approval pursuant to the provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to appoint, M/s. P G BHAGWAT LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of Forty-First Annual General Meeting until the conclusion of Forty-Sixth Annual General Meeting.

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

SECRETARIAL AUDITORS & SECRETARIAL STANDARDS

The Secretarial Auditors, M/s. SVD & Associates, Practising Company Secretaries, have issued Secretarial Audit Report (Form MR-3) for the Financial Year 2022-23 pursuant to Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is annexed to Directors' Report as **Annexure-1**.

In respect of observations made out in the Secretarial Audit Report, it is informed, as under:

Observation	Explanation/ Comment
Pursuant to section 124 read with clause (a) of Sub rule (3) of Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the publication of notice in newspaper regarding transfer of equity shares to IEPF have been made beyond the time prescribed therefor in case of Interim Dividend declared on March 11, 2016.	Due to oversight there was delay in publication of the notice in newspaper. As a corrective measure and to ensure non-recurrence of such events of non-compliance like above, the Secretarial team has put in place a more robust checklist cum Standard Operating Procedure.
Certain E-Forms which were to be filed with Ministry of Corporate Affairs (MCA) could not be filed due to technical glitches on the website of MCA.	The observation is self-explanatory.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Jog Limaye & Associates, Practising Company Secretary, the Secretarial Auditor of Mahadhan AgriTech Limited *(Formerly known as Smartchem Technologies Limited)* and Performance Chemiserve Limited, material unlisted subsidiaries, has issued Secretarial Audit Report (Form MR-3) for the Financial Year 2022-23. The said reports thereon are annexed as **Annexure 8** and **Annexure 9** to the Board's Report.

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

COST AUDITORS

Your Directors, at the meeting held on 17th May, 2023 based on the recommendation of the Audit Committee, have appointed M/s Harshad S. Deshpande & Associates, Cost Accountants, as the Cost Auditors for the Financial Year 2023-24 at a remuneration of ₹ 2,25,000 /- (Rupees Two Lakhs Twenty Five Thousand only) plus GST as applicable and reimbursement of travel and out-of-pocket expenses, which shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

Further, M/s Harshad S. Deshpande & Associates, Cost Accountants will submit the cost audit report along with annexure for the Financial Year 2022-23 to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

The Cost Audit Report for the Financial Year ended 31st March, 2022 was duly filed with the Central Government (Ministry of Corporate Affairs) on 23rd November, 2022.

In accordance with the provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, the Company is required to maintain respective cost records and accordingly, such accounts and records were made and maintained.

INTERNAL AUDITORS

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

Further, the Board, on the recommendation of the Audit Committee, has re-appointed EY as the Internal Auditors of the Company for the Financial Year 2023-24.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

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

RELATED PARTY TRANSACTIONS

All contracts/arrangement/transactions entered by the Company during the period under review with related parties were in compliance with the applicable provisions of the Companies Act, 2013 (Act) and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Pursuant to the said omnibus approval, details of transaction entered into is also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during the financial year 2022-23 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

Details of transactions with related parties during financial year 2022-23 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this Report.

CORPORATE GOVERNANCE

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

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Report on the performance and financial position of subsidiaries, associates and joint venture company in specified format is annexed to Board's Report as **Annexure-2**.

AWARDS AND RECOGNITIONS

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

NOMINATION AND REMUNERATION COMMITTEE

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

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, have revised the Nomination and Remuneration Policy of the Company, at their meeting held on 25th May, 2022. A copy of Nomination and Remuneration Policy is enclosed as **Annexure 3** and is also available on the website of the Company at https://www.dfpcl.com/uploads/2021/07/Nomination-and-Remuneration-Policy-25-05-2022.pdf

RISK MANAGEMENT COMMITTEE

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

The Board of Directors of the Company has approved a comprehensive CSR Policy as per the amended provisions of the Companies Act, 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at the following links: https://www.dfpcl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf

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

AUDIT COMMITTEE COMPOSITION

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

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: https://www.dfpcl.com/investors/annual-return/

PERFORMANCE EVALUATION OF CHAIRMAN, DIRECTORS, BOARD AND COMMITTEES

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

INDEPENDENCE OF DIRECTORS

All the Independent Directors of the Company have given declaration that they meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

In terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors' Databank as on the date of this Report and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

WHISTLE BLOWER POLICY

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The details of remuneration drawn by Mr. Sailesh C. Mehta, Chairman and Managing Director of the Company from the Company and also from the subsidiary of the Company in terms of Section 197(14) of the Companies Act, 2013 is provided in the Corporate Governance Report.

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

During the year under review, there were no such instances. However, the status of Ishanya Realty Corporation Limited has changed from associate to subsidiary of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rule 8 (5) (v) and 8 (5) (vi) of the Companies (Accounts) Rules, 2014 are reported.

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

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rules made thereunder, the internal committee constituted under the said act has confirmed that no complaint / case has been filed / pending with the Company during the year. The said policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

As the Company is one of the top 1,000 listed entities, the Company has presented its first Business Responsibility and Sustainability Report (BRSR) for the financial year 2022-23, which is part of this Annual Report.

As a green initiative, the BRSR Report has been hosted on the Company's website and can be accessed at the link https://www.dfpcl.com/uploads/2023/07/Business-Responsibility-and-Sustainability-Report-2022-23.pdf

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

The overall industrial relations in the Company were cordial. The manpower employed is around 941 employees.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place: Pune
Dated: 17th May, 2023

S. C. Mehta
Chairman and Managing Director

ANNEXURE 1

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

Pursuant to section 204(1) of the Companies Act, 2013
and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Deepak Fertilisers And Petrochemicals Corporation Limited** CIN: L24121MH1979PLC021360 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR);

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 **(not applicable to the Company during the audit period);**

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 (Buy-Back of Securities) Regulations, 2018 **(not applicable to the Company during the audit period);**

(vi) The management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

a) Petroleum Act, 1934 and Rules, 2002;

b) Foreign Trade (Development & Regulation) Act, 1992;

c) The Competition Act, 2002;

d) Explosive Substance Act, 1908;

e) Inflammable Substance Act, 1952;

f) The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

g) Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008;

h) Ammonium Nitrate Rules, 2012;

i) Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

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

(vii) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

(viii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

During the year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above subject to the following observations-

a. *Pursuant to section 124 read with clause (a) of Sub rule (3) of Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the publication of notice in newspaper regarding transfer of equity shares to IEPF have been made beyond the time prescribed therefor in case of Interim Dividend declared on March 11, 2016.*

b. *Certain E-Forms which were to be filed with Ministry of Corporate Affairs (MCA) could not be filed due to technical glitches on the website of MCA.*

We further report that,

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and circular resolutions for Board and Committees are carried with the requisite majority as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board.

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

We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. As disclosed in the last year's report, effective May 15, 2014, domestic gas supply to the Company was arbitrarily stopped by the Ministry of Petroleum and Natural Gas. The Company successfully challenged the same before the Hon'ble Delhi High Court, which, by its Orders dated July 7, 2015 and October 19, 2015 directed the Government of India (GoI) to restore the supply of gas. Review petition filed by the GoI, challenging the said Orders was rejected by the said Court. Further, the GoI also filed the Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the Order of Hon'ble Delhi High Court, which was also disposed without granting any relief to the GoI. The GoI has filed an affidavit before the Hon'ble Delhi High Court stating that Inter Ministerial Committee (IMC) has decided to recommend supply of pooled gas to the Company, subject to approval of the Competent Authority. GoI has further filed an application in the Hon'ble Delhi High Court seeking dismissal of the matter. The Company is contesting the said application since the Competent Authority has not decided based on the recommendation of the said IMC and the application so filed is pre-mature. The Hon'ble Delhi High Court asked GoI to bring the IMC decision/ report on record, if not filed then the matter will be proceeded further without the report. The hearing in the Delhi High Court is now posted in the month of August, 2023.

2. The Securities Issue Committee of the Company at its meeting held on September 01, 2022, has approved the allotment of 56,44,877equity shares of face value of ₹10 each to International Finance Corporation pursuant to the conversion of second tranche of Foreign Currency Convertible Bonds issued to them on September 30, 2020.

3. The Company and Aarti Industries Limited have signed a binding term sheet for a period of 20 years for offtake and supply of Nitric Acid to be effective from 1st April 2023.

4. Smartchem Technologies Limited (STL) a material subsidiary of the Company has received the assessment and demand orders for the block period (Assessment Year 2013-2014 to Assessment Year 2019-2020) pursuant to Search Operation conducted by the Income Tax Department in November 2018 under the provisions of Sections 132 and 133A of the Income-tax Act, 1961, resulting into demand of ₹ 569 crores (including interest).

5. Board of Directors of the Company at their meeting held on 15th December, 2022 have accorded its in-principle approval to the Composite Scheme of Arrangement between Smartchem Technologies Limited (STL) (Demerged Company or Transferee Company), Deepak Mining Solutions Private Limited (DMSPL) (Resulting Company) and Mahadhan Farm Technologies Private Limited (MFTPL) (Transferor Company) and their respective shareholders in accordance with the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

6. The Board of Directors of the Company in their meeting held on March 23, 2023 has re-appointed Mr. Sailesh C. Mehta (DIN: 00128204) as a Chairman and Managing Director of the Company subject to approval of shareholders.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 17, 2023

Peer Review No: P2013MH075200
UDIN: F006156E000308040

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

'ANNEXURE A'

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

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

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. We have relied on the documents and evidences provided through electronic mode.

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

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.

7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 17, 2023

Peer Review No: P2013MH075200
UDIN: F006156E000308040

ANNEXURE 2

FORM AOC-1

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

Part-A: Subsidiaries

(₹ in lakhs)

		1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of Subsidiary	Mahadhan AgriTech Ltd. (formerly Smartchem Technologies Limited)[#]	Platinum Blasting Services Pty. Limited[$1]	Australian Mining Explosives Pty. Limited[$2]*	Performance Chemiserve Limited[$1]	SCM Fertichem Limited	Deepak Mining Solutions Private Limited (Formerly Deepak Mining Services Private Limited)	Deepak Nitrochem Pty Limited	Mahadhan Farm Technologies Private Limited	Ishanya Brand Services Limited	Ishanya Realty Corporation Limited	Yerrowda Investments Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	AUD 1 AUD = 54.9077	AUD 1 AUD = 54.9077	Indian Rupees	Indian Rupees	Indian Rupees	AUD 1 AUD = 54.9077	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	1,705	4,806	-	19	5	1	81	1	410	10	24
4	Reserves & Surplus	4,14,126	4,240	249	1,73,189	-4	-56	-57	329	-320	-9	3,662
5	Total Assets	8,61,591	26,567	2,959	3,78,323	8	2	24	1,000	896	1	3,718
6	Total Liabilities	4,45,760	17,521	2,710	2,05,115	7	57	-	670	806	-	32
7	Investments	1,71,150	-	-	880	-	-	-	-	-	-	2
8	Turnover	8,95,077	50,454	1,578	703	-	-	-	4,017	666	-	115
9	Profit / (Loss) before taxation	1,32,783	5,233	495	836	83	-3	-1	129	-213	-1	44
10	Provision for taxation	45,528	2,252	149	215	3	-	-	33	-	-	31
11	Profit / (Loss) after taxation	87,255	2,981	347	621	80	-3	-1	96	-213	-1	13
12	Proposed Dividend and Corporate Dividend Tax	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100.00%	65.00%	65.00%	94.40%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	85.00%

[#] Consolidated Figures

[$1] Subsidiary of Mahadhan AgriTech Ltd. (formerly Smartchem Technologies Limited)

[$2] Subsidiary of Platinum Blasting Services Pty. Limited

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

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

   The Company, is a wholly owned subsidiary of your Company, is in the business of manufacturing Technical Grade Ammonium Nitrate and manufacturer and trading of fertilisers. The Company achieved a turnover of ₹ 8,950.77 Crores (excluding other income) and profit before tax of ₹ 1,327.83 Crores.

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

   Platinum Blasting Services Pty. Limited is a joint venture (JV) between your Company's wholly owned subsidiary Mahadhan AgriTech Ltd. (MAL) with local Australian partners having vast experience in providing value-added blasting services and operational expertise to mining and explosives industries in Australia. This is part of your Company's forward integration initiative. MAL supplies Technical Ammonium Nitrate to the JV.

3. Australian Mining Explosives Pty. Limited

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

4. Performance Chemiserve Limited (PCL)

Performance Chemiserve Limited is a subsidiary Company of Mahadhan AgriTech Ltd. (MAL). MAL is holding 94.40% of the Equity share capital of PCL. PCL is involved in Chemicals drum filling activities. Further, PCL is setting upAmmonia Project of 1,500 MTPD Capacity.

5. SCM Fertichem Limited

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

6. Deepak Mining Solutions Private Limited

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

7. Deepak Nitrochem Pty Limited

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

8. Mahadhan Farm Technologies Private Limited

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

9. Ishanya Brand Services Limited

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

10. Ishanya Realty Corporation Limited

Ishanya Realty Corporation Limited (IRCL) is in the business of construction and operations of design centers, shopping malls, complexes and retailing outlets and other allied activities. During the year under review, the Status of IRCL has changed from Associate Company to Subsidiary Company of the Company.

11. Yerrowda Investments Limited

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

Notes:

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

a. Deepak Nitrochem Pty Limited

b. Deepak Mining Solutions Private Limited

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

FORM AOC-1

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

Part-B: Associates and Joint Ventures

(₹in lakhs)

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

Notes:

1. **Names of associates or joint ventures which are yet to commence operations:** N.A.

2. **Names of associates or joint ventures which have been liquidated or sold during the year:** None

ANNEXURE 3

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

1. Introduction

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

2. Objective and Scope

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

a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director

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

3. Definitions

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

"Board" means Board of Directors of the Company

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

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

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

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

i. Managing Director or Executive Director or Chief Executive Officer or Manager

ii. Whole-time Director;

iii. Company Secretary;

iv. Chief Financial Officer and

v. such other officer as may be prescribed.

"Policy" means Nomination and Remuneration Policy.

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

4. Functions of Committee

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

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

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

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

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

6. Secretary

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

7. Minutes of Committee Meeting

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

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

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

a) The Committee shall identify and evaluate the balance of skills, knowledge, experience, integrity, qualification, expertise and positive attributes of the person for appointment as Director and recommend to the Board his / her appointment.

b) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.

c) The President (HR) of the Company, under the overall superintendence and control of the Chairman & Managing Director, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.

d) Upon finalization of appointment of a person for the position of KMP and/or SMP by the Chairman and Managing Director and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

(B) Removal

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

(C) Retirement

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

Policy relating to the Remuneration

(A) General - for the Wholetime Director:

a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act and the Rules framed thereunder.

c) Term / Tenure of the Directors shall be as per company's policy and subject to the provisions of the Act.

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

a) Fixed pay:

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

b) Commission

Commission may be paid within the limits approved by shareholders.

c) Minimum Remuneration:

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

d) Provisions for excess remuneration:

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

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

a) Remuneration / Commission:

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

b) Sitting Fees:

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

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

c) Commission:

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

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

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

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

i) Basic pay

ii) HRA

iii) Allowances

iv) Perquisites and Benefits

v) Retiral benefits

vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

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

9. Amendments

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

ANNEXURE 4

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

1. Brief outline on CSR Policy of the Company:

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

a) Women empowerment through vocational training (skill development) and livelihood Programmes;

b) Health and

c) Education.

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

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

2. Composition of CSR Committee:

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

* Appointed as Member of the Committee w.e.f. 21st April, 2022;

** Ceased to be a Director and Member of the Committee w.e.f. 21st April, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR committee:

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

CSR Policy:

https://www.dfpcl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf

CSR projects:

https://www.dfpcl.com/social-responsibility/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹16,700 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135(5): ₹ 334 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous inancial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹ 5 Lakhs***

(e) Total CSR obligation for the financial year (5b+5c- 5d): ₹ 329 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : 227.95

(b) Amount spent in Administrative overheads : NIL

(c) Amount spent on Impact Assessment, if applicable : N.A.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 227.95

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lacs)	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
227.95.00	101.05**	28th April, 2023	N.A.	Nil	N.A.

** Represents the amount unspent on Ongoing Projects.

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

Sl. No.	Particular	Amount (in ₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	329*
(ii)	Total amount spent for the Financial Year	227.95
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

*Considering sett-off of amount of ₹5 lakhs available for FY 2022-23, the Company was required to spend ₹329 Lacs for the FY 2022-23.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (₹ in Lakhs)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (₹ in Lakhs)	Amount spent in the Financial Year (₹ in Lakhs)
(i)	(ii)	(iii)	(iv)	(v)
		NIL		

Amount transferred to a fund specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)	Deficiency, if any
(vi)		(vii)	(viii)
Amount (₹ in Lakhs)	Date of transfer.		
	NIL		

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

☐ YES NO ☑ √

If yes, enter the number of Capital assets created/ acquired ☐

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

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

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

The Company has an ongoing project for promoting education i.e. Establishment of Skill Development Center (SDC). There is a delay in obtaining suitable land / clarity on usage of the identified land for SDC. Therefore, the Company could not spend ₹ 101.05 Lakhs during the financial year 2022-23. The Company will spend ₹ 101.05 Lakhs, which is unspent CSR amount for the financial year 2022-23, in the coming financial years. The Company has deposited the same amount of ₹ 101.05 Lakhs in the separate bank account, Deepak Fertilisers And Petrochemicals Corporation Limited – Unspent CSR Account for the financial year 2022-23, opened for this purpose.

Sd/-
Partha Bhattacharyya
(Chairman – CSR Committee)

Sd/-
Parul Mehta
(Director)

ANNEXURE 5

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

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

A. CONSERVATION OF ENERGY

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

– **Taloja K1-6 Plant:**

(i) Installation of high efficient flare tip in IPA plant resulted in reduction of steam consumption to flare from 2.7 Ton/hr to 1.2 Ton/hr with savings of ₹ 272.8 lakhs.

– **Dahej Plant:**

(i) Installation of energy efficient Cooling Tower Fan blades (MOC changed from CS to FRP & blade design changed) contributed to power saving of around 151.2 MWh/annum equivalent to savings of ₹ 10.93 lakhs. The saving will continue in future also.

(ii) Installation of Flash steam recovery system to generate steam (12 TPD) and reuse of steam condensate in Deaerator (boiler plant) resulted in savings of ₹ 57.86 lakhs.

(iii) Installation of rainwater Lagoon saved around 33761 KL water equivalent to fresh water saving of ₹ 20.5 lakhs.

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

(i) Nil

(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

– **Dahej Plant:**

(i) Planning to install VFD in Steam condensate extraction pump of Steam Turbine Generator (STG) to reduce power consumption by 33.6 MWh/annum. With total investment cost of 10 lakhs, project will be commissioned by Jun 2023 and has a saving potential of ₹ 3.5 lakhs p.a.

(ii) Covered under (a).

B. TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption

– **Dahej Plant:**

(i) Supply of chilled water to Absorber column trays started resulting in increase of production (3TPD) & reduction in utility norms, reduction of ammonia consumption by 0.004 MT/MT. Total saving in terms of NH_3 consumption reduction is ₹ 419 Lakhs.

(ii) Installation of suction air chiller system of WNA-6 plant resulted in increase of plant throughput by 20 TPD which led to total saving of ₹ 720 Lakhs.

(iii) Optimization of convertor catalyst gauze to improve catalyst conversion efficiency, thereby reducing Ammonia consumption & utility norms, among other benefits including reduction of precious metal requirement.

(iv) Implementation of dust suppression system in coal yard & belt conveying system to reduce coal dust emission. Around 85% dust removal is achieved.

(v) Implementation of wireless online vibration monitoring system provided to all critical equipment A & B Category.

(vi) Implementation of positive air pressurization system in Substation to avoid dust ingression in critical panel.

b) The benefits derived like product improvement, cost reduction, product development or import substitution:

– **K1-6 Plant:**

(i) Developed in-house technology for purification of crude DIPE produced as bi-product in the IPA manufacturing process. Following the pilot trials, commenced full scale purification of crude DIPE to high purity DIPE (>99%) for pharma applications, through contract manufacturing.

(ii) Developed in-house, technology for production of solar grade nitric acid on pilot scale. Full scale set up to produce 20 TPD is in Project phase.

(iii) Developed laboratory process to purify technical grade IPA to electronic grade IPA (ELIPA). In view of the potential of semiconductor industries in India, commercialization is planned.

(iv) Developed laboratory process to produce steel grade nitric acid. Commercial trials & full-scale manufacturing is being explored.

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

Details of Technology imported	The Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefor
None			

d) The expenditure incurred on Research and Development

New Product Development Synergic to Existing Products Basket.

(i) Nil

Other R&D Initiative adding value to existing process.

– **Dahej Plant:**

(i) Ongoing Project- Optimization of convertor catalyst gauze to improve catalyst conversion efficiency, reducing Ammonia consumption & utility norms, among other benefits including reduction of precious metal requirement.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Earning in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2023	31st March 2022
Export of goods (Manufactured and Traded)	1,749.66	2,638.73
Other Income	2,540.48	3,013.88
Other Income - Sale of Investment	-	-
Total	**4,290.14**	**5,652.61**

Expenditure in Foreign Currency (₹ In Lakhs)

Particulars	31st March 2023	31st March 2022
Interest and repayment of Loans.	345.31	783.86
Technical fees to Foreign Vendors	845.86	704.61
Foreign Travels	-	-
Others (Net of Reimbursements)	-	181.02
Total	**1,191.17**	**1,669.49**

CIF Value of Imports (₹ In Lakhs)

Particulars	31st March 2023	31st March 2022
Raw Materials	23,178.00	8,825.00
Capital goods and spares	101.00	2,924.00
Traded chemicals	16,917.00	43,521.00
Traded Furniture	453.00	281.00
Total	**40,649.00**	**55,551.00**

ANNEXURE 6

Secretarial Compliance Report of Deepak Fertilisers And Petrochemicals Corporation Limited for the financial year ended March 31, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Deepak Fertilisers And Petrochemicals Corporation Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at Sai Hira, Survey No. 93, Mundhwa, Pune – 411036. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023 ("Review Period"), complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We **SVD & Associates, Company Secretaries,** have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity,

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2023** ("Review Period") in respect of compliance with the provisions of :

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

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

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

  (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR));

  (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable to the listed entity during the review period);**

  (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(not applicable to the listed entity during the review period);**

  (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(not applicable to the listed entity during the review period);**

  (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (h) Securities and Exchange Board of India (Depositories and Participant Regulation), 2018.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations /circulars/ guidelines issued by SEBI.	Yes	NIL
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	NIL
4.	**Disqualification of Director:** None of the Director(s) of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries.	Yes	NIL
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI (LODR) Regulations, 2015.	Yes	NIL
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	NIL

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
8.	**Related Party Transactions:**		
	(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions.; or	Yes	NIL
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NA	All the related party transactions are with prior approval of Audit Committee.
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI (LODR) Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	NIL
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	Yes	NIL

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	No such instance during the Review Period.
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the listed entity, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	No such instance during the Review Period.
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI /NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	-
3.	The listed entity/its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such instance during the Review Period.

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No	Deviations	Action Taken by	Type of Action Advisory/ Clarification/ Fine /Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

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

Particulars	Sr. No. 1	Sr. No. 2	Sr. No. 3
Compliance Requirement (Regulations /circulars/ guidelines including specific clause)	Regulation 29 (2)/29(3) of LODR requires the Company to give prior Intimation to BSE and NSE about the meeting of board of directors at least five days in advance (excluding the date of the intimation and date of the meeting).	Regulation 32 (1) of LODR required the Company to file the statement of deviation(s) or variation(s) within forty-five days from the end of each quarter.	Regulation 13 of LODR requires the Company to ensure that adequate steps are taken for expeditious redressal of investor complaints.

Particulars	Sr. No. 1	Sr. No. 2	Sr. No. 3
Regulation /Circular No.	Regulation 29 (2)/29(3)	Regulation 32 (1)	Regulation 13
Deviations	Prior Intimation to stock exchanges about the meeting of board of directors was given on November 08, 2021 for the meeting held on November 12, 2021 which is less than the prescribed minimum notice period.	Statement of deviation(s) or variation(s) filed for quarter ended September 30, 2021 was filed on November 23, 2021 which is beyond forty-five days from the end of the quarter.	Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints for the period of February 11, 2021 to March 10, 2021.
Action Taken by	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)	NA	BSE Limited
Type of Action (Advisory / Clarification/Fine/Show Cause Notice/ Warning, etc.)	Fine	NA	Fine
Details of Violation	Prior Intimation to BSE and NSE about the meeting of board of directors was given on November 08, 2021 for the meeting held on November 12, 2021, which is less than the prescribed minimum notice period.		Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints for the period of February 11, 2021 to March 10, 2021.
Fine Amount	BSE: ₹ 11,800/- NSE: ₹ 11,800/-	NA	₹ 2,360/-
Observations/Remarks of the Practicing Company Secretary	The listed entity needs to ensure that the prior intimation of the board meetings is given to recognized stock exchanges within the time prescribed under Regulation 29 (2) /29 (3) of SEBI LODR.	The listed entity needs to file the statement of deviation or variation within the time prescribed under Regulation 32 of SEBI LODR.	Regulation 13 of LODR requires the Company to ensure that adequate steps are taken for expeditious redressal of investor complaints. Fine of ₹2360 inclusive of GST was levied by BSE per SEBI circulars no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January, 2020 and SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.
Management Response	The listed entity has during the Review Period ensured that there is no delay in intimation to stock exchange as per Regulation 29 of SEBI LODR.	The listed entity has during the Review Period ensured that there is no delay in filing the Statement of deviation or variation under Regulation 32 of SEBI LODR.	BSE vide letter dated August 13, 2020 has imposed fine of ₹ 2360/- (inclusive of GST) against which listed entity has received letter of waiver vide email dated June 14, 2022.
Remarks	Action taken by the listed entity is satisfactory and there is no delay during this Review Period.	Action taken by the listed entity is satisfactory and there is no delay for the applicable filing during this Review Period.	Waiver of fine received by the listed entity from BSE Limited vide email dated June 14, 2022.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity and we have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this report.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
C P No: 2664

Place: Pune
Date: May 17, 2023

Peer Review No: P2013MH075200
UDIN: F006156E000308084

ANNEXURE 7

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Deepak Fertilisers And Petrochemicals Corporation Limited CIN L24121MH1979PLC021360 (hereinafter referred to as 'the Company') and having registered office at Sai Hira, Survey No. 93, Mundhwa, Pune-411036, produced before us by the Company on the e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary) and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment
1.	Mr. Sailesh Chimanlal Mehta	00128204	01/08/2008
2.	Mr. Sujal Anil Shah	00058019	30/06/2020
3.	Mrs. Parul Sailesh Mehta	00196410	20/10/2005
4.	Mr. Partha Sarathi Bhattacharyya	00329479	31/10/2012
5.	Mr. Bhuwan Chandra Tripathi	01657366	13/02/2020
6.	Mr. Jayesh Hirji Shah	05011160	20/12/2021
7.	Mrs. Varsha Vasant Purandare	05288076	31/01/2021
8.	Mr. Madhumilan Parshuram Shinde	06533004	10/02/2017
9.	Mr. Sanjay Gupta	05281731	02/02/2023
10.	Mr. Sitaram Janardan Kunte	02670899	02/02/2023
11.	Mr. Terje Bakken	10044096	20/02/2023
12.	*Mr. Alok Perti	00475747	22/04/2019
13.	*Mr. Amit Biswas	08173442	22/04/2019
14.	#Mr. Ashok Kumar Purwaha	00165092	07/07/2017

Notes:-

*Mr. Alok Perti (DIN: 01758785) and Mr. Amit Biswas (DIN: 08173442), Independent Directors of the Company, have ceased to be Directors upon completion of first term with effect from April 21, 2022.

#Mr. Ashok Kumar Purwaha (DIN: 00165092) Independent Director of the Company, has ceased to be Director upon completion of first term with effect from July 06, 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.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No. 2664
C P No. 6156
Peer Review No: P2013MH075200
UDIN: F006156E000308117

Place: Pune
Date: May 17, 2023

ANNEXURE 8

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 **("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable) and

(ii) other Laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are-

1. Petroleum Act, 1934 and Rules, 2002
2. Explosive Act, 1908
3. Essential Commodities Act, 1955
4. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989
5. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
6. Ammonium Nitrate Rules, 2012
7. Fertiliser (Control) Order, 1985
8. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the "Institute of Company Secretaries of India".

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

We further report that:

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

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that

At the Annual General Meeting of the Company held on 2nd August 2022, following business were transacted:

(1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2022, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed an Ordinary Resolution to appoint a director in place of Shri M P Shinde (DIN: 06533004), who retires by rotation and being eligible, offers himself for re-appointment.

(3) The Shareholders passed an Ordinary Resolution to ratify the remuneration to be paid to the Cost Auditors of the Company.

(4) The Shareholders passed an Ordinary Resolution to consider appointment of Shri Alok Perti as Independent Director of the Company.

(5) The Shareholders passed a Special Resolution to consider and approve re-appointment of Shri Yeshil S. Mehta as an Executive Director of the Company.

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

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No. F9552
CP No.- 9798
UDIN: F009552E000276247
PR- 738/2020

Date- 09/05/2023
Place - Pune

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

'ANNEXURE A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No. F9552
CP No.- 9798
UDIN: F009552E000276247
PR- 738/2020

Place – Pune
Date: 09/05/2023

ANNEXURE 9

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 **("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by "The Institute of Company Secretaries of India".

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

We further report that:

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

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that

At the Annual General Meeting of the Company held on 2nd August 2022, following business were transacted:

(1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2022, and the Board's Report and Auditor's Report thereon.

(2) The Shareholders passed an Ordinary Resolution to appoint a Director in place of Shri Shailesh C Mehta (DIN: 00128204), who retires by rotation and being eligible, offers himself for re-appointment.

(3) The Shareholders passed a Special Resolution to re-appoint Shri U. P. Jhaveri (DIN 00273898), as an Independent Director of the Company.

(4) The Shareholders passed a Special Resolution to re-appoint Shri S. R. Wadhwa (DIN 00228201), as an Independent Director of the Company.

(5) The Shareholders passed a Special Resolution to re-appoint Shri R Sriraman (DIN 00228061), as an Independent Director of the Company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No. F9552
CP No. – 9798
UDIN: F009552E000278601
PR- 738/2020

Place - Pune
Date – 09/05/2023

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

'ANNEXURE A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jog Limaye & Associates**
Company Secretaries

Mandar Shrikrishna Jog
Partner
M. No. F9552
CP No. – 9798
UDIN: F009552E000278601
PR- 738/2020

Place – Pune
Date: 09/05/2023

Corporate Governance

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

BOARD OF DIRECTORS

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

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which they are Directors. The changes in the composition of the Board during the year and its composition as on 31st March, 2023 was as follows:

Sr. No.	Category	Name of Director
1.	Promoter and Executive Director	Mr. S. C. Mehta, Chairman & Managing Director
2.	Promoter & Non-Executive Director	Mrs. Parul S. Mehta
3.	Non-Executive and Non- Independent Director	Mr. M. P. Shinde
4.	Independent Directors	Mr. Partha Bhattacharyya
5.		Mr. Bhuwan Chandra Tripathi
6.		Mr. Sujal Shah
7.		Mrs. Varsha Purandare
8.		Mr. Jayesh Hirji Shah
9.		Mr. Sanjay Gupta[1]
10.		Mr. Sitaram Kunte[2]
11.		Mr. Terje Bakken[3]
12.		Mr. Alok Perti[4]
13.		Mr. Amit Biswas[5]
14.		Mr. Ashok Purwaha[6]

1&2. The Board at its meeting held on 2nd February, 2023 appointed Mr. Sanjay Gupta and Mr. Sitaram Kunte as Independent Directors of the Company for a first term of 3 consecutive years w.e.f. 2nd February, 2023.

3. The Board, via Circular Resolution on 21st February, 2023, appointed Mr. Terje Bakken as an Independent Director of the Company for a first term of 3 consecutive years w.e.f. 20th February, 2023.

4&5 Mr. Alok Perti and Dr. Amit Biswas, on completion of their first term as Independent Directors, have ceased to be directors of the Company w.e.f. 21st April, 2022.

6 Mr. Ashok Purwaha, on completion of their first term as an Independent Director, has ceased to be director of the Company w.e.f. 6th July, 2022.

MEETINGS OF BOARD OF DIRECTORS

During the year under review, seven Board Meetings were held. These meetings were held on 25th May, 2022, 29th July, 2022, 18th October, 2022, 10th November, 2022, 15th December, 2022, 2nd February, 2023 and 24th March, 2023. The gap between any two meetings has been less than one hundred and twenty days.

The record of attendance of Directors for Board Meetings and the previous Annual General Meeting and the Directorships of Public Limited Companies and Membership / Chairmanship of Board Committees as on 31st March, 2023 are as given below:

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships in listed Companies including this Company	No. of Directorships of other Companies Including Private Companies$	No. of membership of other Board Committees#	No. of Chairmanship of other Board Committees#
1.	Mr. S. C. Mehta	7 out of 7	Yes	1	6	0	0
2.	Mrs. Parul S. Mehta	6 out of 7	Yes	1	5	1	0
3.	Mr. M. P. Shinde	7 out of 7	Yes	1	2	3	0
4.	Mr. Partha Bhattacharyya	6 out of 7	Yes	4	6	4	4
5.	Mr. Bhuwan Chandra Tripathi	5 out of 7	No	1	3	1	0
6.	Mr. Sujal Anil Shah	6 out of 7	Yes	6	6	8	2
7.	Mrs. Varsha Purandare	7 out of 7	Yes	3	7	9	4
8.	Mr. Jayesh Shah	6 out of 7	Yes	1	0	1	1
9.	Mr. Sanjay Gupta[1]	1 out of 1	NA	1	1	0	0
10.	Mr. Sitaram Kunte[2]	1 out of 1	NA	1	0	0	0
11.	Mr. Terje Bakken[3]	1 out of 1	NA	1	0	0	0
12.	Mr. Alok Perti[4]	-	NA	-	-	-	-
13.	Dr. Amit Biswas[5]	-	NA	-	-	-	-
14.	Mr. Ashok Purwaha[6]	1 out of 1	NA	-	-	-	-

$ Excludes directorships of foreign companies and dormant companies.

\# Includes only Audit Committee and Stakeholders' Relationship Committee.

1&2. The Board at its meeting held on 2nd February, 2023 appointed Mr. Sanjay Gupta and Mr. Sitaram Kunte as Independent Directors of the Company w.e.f. for a first term of 3 consecutive years w.e.f. 2nd February, 2023.

3. The Board, via Circular Resolution on 21st February, 2023, appointed Mr. Terje Bakken as an Independent Director of the Company for a first term of 3 consecutive years w.e.f. 20th February, 2023.

4&5 Mr. Alok Perti and Dr. Amit Biswas, on completion of their first term as Independent Directors, have ceased to be directors of the Company w.e.f. 21st April, 2022.

6. Mr. Ashok Purwaha, on completion of their first term as an Independent Director, has ceased to be director of the Company w.e.f. 6th July, 2022.

Notes:

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

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31st March, 2023 are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1	Mr. S. C. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Chairman & Managing Director
2	Mrs. Parul S. Mehta	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
3	Mr. M. P. Shinde	Deepak Fertilisers And Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
4	Mr. Partha Bhattacharyya	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Tide Water Oil Co. India Limited	Independent Director
		Ramkrishna Forgings Limited	Independent Director
		Texmaco Rail & Engineering Limited	Independent Director
5	Mr. Bhuwan Chandra Tripathi	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
6	Mr. Sujal Anil Shah	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Ironwood Education Limited	Independent Director
		Amal Limited	Independent Director
		Hindoostan Mills Limited	Independent Director
		Mafatlal Industries Limited	Independent Director
		Navin Fluorine International Limited	Independent Director
7	Mrs. Varsha Purandare	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
		Orient Cement Limited	Independent Director
		The Federal Bank Limited	Independent Director
8	Mr. Jayesh Hirji Shah	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
9	Mr. Sanjay Gupta	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
10	Mr. Sitaram Kunte	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director
11	Mr. Terje Bakken	Deepak Fertilisers And Petrochemicals Corporation Limited	Independent Director

CORE SKILL / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

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

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

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

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

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

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

The Company has an Audit Committee comprising of four directors, majority of which are Independent. The Committee is headed by Mr. Partha Bhattacharyya.

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

During the year under review, eight meetings of Audit Committee were held i.e., 24th May, 2022, 7th July, 2022, 28th July, 2022, 13th October, 2022, 9th November, 2022, 3rd January, 2023, 1st February, 2023 and 24th March, 2023.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the aforesaid meetings is as follows:

Name of Director	Category	No. of meetings held		Whether attended last AGM
		Held	Attended	
Mr. Partha Bhattacharyya	Independent Director	8	7	Yes
Mr. Madhumilan Shinde	Non-Executive Non-Independent Director	8	8	Yes
Mr. Sujal Anil Shah	Independent Director	8	8	Yes
Mr. Bhuwan Chandra Tripathi	Independent Director	8	5	No

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

During the year under review, one meeting of Stakeholders Relationship Committee was held on 5th December, 2022.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the aforesaid meeting is as follows:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Jayesh Shah, Chairman	Independent Director	1	1
Mrs. Parul Mehta, Member	Non-Executive Non-Independent Director	1	0
Mr. Madhumilan Shinde, Member	Non-Executive Non-Independent Director	1	1

Details of complaints received during the financial year 2022-23 are as follows:

Nature of complaints	No. of complaints received	No. of complaints not solved to the satisfaction of shareholders	No. of pending complaints
Transfer of shares	3	3	0
Non-receipt of annual report	1	1	0
Non-receipt of dividend warrants	4	4	0
Issue of duplicate share certificates	6	6	0
Others (relates to non-receipt of shares, demat, change of address, Bank details, signature, correction of name etc.	23	23	0

NOMINATION AND REMUNERATION COMMITTEE

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

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

During the year under review, three meetings of Nomination and Remuneration Committee were held on 25th May, 2022, 2nd February, 2023 and 23rd March, 2023.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the meetings held was as follows:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Bhuwan Chandra Tripathi, Chairman	Independent Director	3	3
Mr. Sujal Anil Shah, Member	Independent Director	3	3
Mr. Partha Bhattacharyya, Member	Independent Director	3	3

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2022-23. The Board at its Meeting held on 17th May, 2023 reviewed the reports on performance assessment of the Board, its Committees and individual directors.

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

i. Directors bring an independent judgment on the Board's discussions utilizing their knowledge and experience especially on issues related to strategy, operational performance and risk management.

ii. Directors demonstrate awareness and concerns about norms relating to Corporate Governance disclosure and legal compliances.

iii. Directors contribute new ideas / insights on business issues raised by Management.

iv. Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.

v. The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.

vi. The Board receives adequate and timely information to enable discussions / decision making during Board meetings.

vii The Board addresses interests of all stakeholders of the Company.

viii. The Committees are delivering on the defined objectives.

ix. The Committees have the right composition to deliver their objectives.

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

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

PROJECT & FUNDING COMMITTEE

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

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

During the year under review, no committee meeting was held. The composition of the committee as on 31st March, 2023 is as under:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Bhuwan Chandra Tripathi	Independent Director	-	-
Mrs. Varsha Purandare			

MANUFACTURING OPERATIONS REVIEW COMMITTEE

The Company has a Manufacturing Operations Review Committee comprising of three directors, majority of which are Independent. The Committee is headed by Mr. Partha Bhattacharyya, Independent Director.

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

During the year under review, two meetings of Manufacturing Operations Review Committee were held on 7th July, 2022 and 5th December, 2022.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the meetings held was as follows:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman	Independent Director	2	2
Mr. M. P. Shinde, Member	Non-Executive Non-Independent Director	2	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee. The Committee is headed by Mr. Partha Bhattacharyya, Independent Director.

The terms of reference of Corporate Social Responsibility Committee (CSR), inter alia, include, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and also monitor the mechanism for CSR projects or programmes or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

During the year under review, two meetings of Corporate Social Responsibility Committee were held on 17th June, 2022 and 23rd March, 2023.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the meetings held was as follows.

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Partha Bhattacharyya, Chairman	Independent Director	2	2
Mrs. Parul Mehta, Member	Non-Executive Non-Independent Director	2	2
Mr. M. P. Shinde	Non-Executive Non-Independent Director	2	2

The Board of Directors of the Company have approved a comprehensive CSR Policy as per the amended provisions of the Companies Act, 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at https://www.dfpcl.com/uploads/2021/05/CSR-Policy_DFPCL.pdf & https://www.dfpcl.com/social-responsibility

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee comprising of three members, out of which two are directors. The Committee is headed by Mr. M. P. Shinde, Non-Executive Non-Independent Director.

The terms of reference of the Committee are in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also include other matters delegated to the Committee by Board of Directors of the Company from time to time.

The Company has also framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries / associates.

During the year under review, two Meetings of the Risk Management Committee were held on 25th May, 2022 and 10th November, 2022.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the meetings held was as follows.

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Mr. M. P. Shinde, Chairman	Non-Executive Non-Independent Director	2	2
Mr. Bhuwan Chandra Tripathi, Member	Independent Director	2	1
Mr. Amitabh Bhargava, Member[1]	Chief Financial Officer	2	2

1 Not a director but is a member of the Committee.

SECURITIES ISSUE COMMITTEE

The Company has a Securities Issue Committee comprising of three members, out of which two are directors and both are Independent. The Committee is headed by Mrs. Varsha Purandare, Independent Director.

The Securities Issue Committee specifically looks into various matters relating to the capital raising, ensuring implementation of capital raising, to decide the form / mode of capital raising and to approve the preliminary placement document, to approve, finalise and issue allotment letters and to make application or seek exemption to / from any regulatory or statutory authorities etc., and other allied matters.

During the year under review, one meeting of the Securities Issue Committee were held on 1st September, 2022.

The composition of the Committee as on 31st March, 2023 and the attendance of the members at the meetings held was as follows.

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mrs. Varsha Purandare, Chairperson	Independent Director	1	1
Mr. Sujal Shah, Member	Independent Director	1	1
Mr. Amitabh Bhargava, Member[1]	Chief Financial Officer	1	1

1 Not a director but is a member of the Committee.

Mr. Gaurav Munoli, Company Secretary and Compliance Officer acts as Secretary to all the Committees of the Board of Directors.

SHARE AND DEBENTURE TRANSFER COMMITTEE

The Company has a Share and Debenture Transfer Committee comprising of five members. The Committee is headed by Mr. S. C. Mehta.

The Share and Debenture Transfer Committee specifically looks after the proposals of transfers, transmissions, transposition of names, issue of split, consolidated share certificates, re-materialisation of shares etc.

The composition of the Share and Debenture Transfer Committee as on 31st March, 2023 is as below:

Sr. No.	Particulars	No. of Meetings held during tenure	No. of Meetings attended
1	Mr. S. C. Mehta – Chairman	41	41
2	Mrs. Parul S. Mehta – Member	41	41
3	Mr. Amitabh Bhargava* - Member	41	41
4	Mr. Ritesh Chaudhry*[#] - Member	41	41
5	Mr. Deepak Balwani* - Member	41	41

*These are not Directors of the Company but are members of the Committee.

[#]Ceased to be a member w.e.f. 31st March, 2023.

During the year under review, 41 meetings of Share and Debenture Transfer Committee were held.

RIGHTS ISSUE COMMITTEE

The Company has a Rights Issue Committee comprising of two committee members. The Committee is headed by Mr. Sujal Shah. The Rights Issue Committee was constituted for giving effect to the Rights Issue and also to look after other things related to Rights Issue.

During the year under review, no committee meeting was held. The composition of the Rights Issue Committee as on 31st March, 2023 is as below:

Name of Director	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Sujal Shah, Chairman	Independent Director	-	-
Mr. Amitabh Bhargava, Member[1]	Chief Financial Officer		

1 Not a director but is a member of the Committee.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 23rd May, 2022, inter alia, to discuss and review

1. The quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

2. The performance of Non-Independent Directors and the Board of Directors as a whole.

3. The performance of Chairman of the Company, taking into account the views of Non-Executive Directors.

All the Independent Directors were present at the aforesaid meeting.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management personnel and are provided with the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letter of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting, where all Directors and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

The above initiatives help the Directors understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

The familiarisation programme for directors is available on the website of the Company at the link- https://www.dfpcl.com/uploads/2017/04/FamiliarisationProgram.pdf

INFORMATION SUPPLIED TO THE BOARD

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of ongoing projects which warrant attention of the Directors. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

The Company has laid down procedures to inform the Board Members about the risk assessment and its minimization. The Board Members through the Risk Management Committee, are provided with the information on the risks faced by the Company and measures adopted by the Company to mitigate the same.

With a view to leveraging technology and moving towards paperless system for preservation of environment, the Company has adopted a web-based application for transmitting Board / Committee meeting agenda. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board / Committee agenda in electronic form.

BOARD DIVERSITY

The Board of Directors ensure that a transparent Board nomination process is in place. The Company has various business sectors which serve different customer segments. Having members of the Board from different fields is, therefore, important for sustained commercial success of the Company. While selecting the Board members, the Company endeavours to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

REVIEW OF LEGAL COMPLIANCE REPORTS

During the year, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

DIVIDEND DISTRIBUTION POLICY

The Board at its meeting held on 30th June, 2017 adopted a Dividend Distribution Policy for the Company. The same is placed on the Company's website at DividendDistributionPolicyDFPCL30June2017.pdf.

A physical copy of the Policy will be made available to any shareholder on request by email.

CODE OF CONDUCT

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2022-23. A declaration to this effect signed by Chairman and Managing Director is given in this Annual Report.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

CONFIRMATION BY THE BOARD ON FULFILLMENT OF INDEPENDENCE OF INDEPENDENT DIRECTORS

In the opinion of the Board, all the existing Independent Directors, fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

RESIGNATION OF INDEPENDENT DIRECTOR

During the year under review, there was no such instance.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY

REMUNERATION PAID TO EXECUTIVE DIRECTOR

(Amount In ₹)

Name of Director	Designation	Salary and Allowances	Perks	Commission	Others (PF and Superannuation)	Total
Mr. S. C. Mehta[@]	Chairman & Managing Director	4,26,03,848	2,29,43,108	-	43,20,000	6,98,66,956

[@]Appointment of Managing Director and Chairman is governed by a Service Contract for a period of 5 Years.

During the year under review, the Board of Mahadhan AgriTech Limited (Formerly Known as Smartchem Technologies Limited), wholly owned subsidiary of the Company, in accordance with the approval of the shareholders and upon recommendation of their Nomination and Remuneration Committee have approved commission of ₹ 123 Crores to Mr. S. C. Mehta for the financial year 2022-23 in his capacity as Chairman and Managing Director.

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Details of Sitting Fees paid during the Financial Year 2022-23 and Commission paid for Financial Year 2022-23 to Non-Executive Directors:

Sitting Fees:

The Company pays sitting fees to Non-Executive Directors ₹ 75,000/- for attending per Board Meeting, ₹ 50,000/- for attending per Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Project and Funding Committee Meeting and Finance Committee Meeting and ₹ 30,000/- for attending per Meeting of other Committees constituted by the Board.

During the year under review, the details of sitting fees paid to the directors for attending the meetings of Board and Committees are as provided below:

Sr. No.	Name of Director	Sitting Fees (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	11.60
2.	Mrs. Parul S. Mehta	5.10
3.	Mr. M. P. Shinde	11.95
4.	Mr. Bhuwan Chandra Tripathi	8.95
5.	Mr. Sujal Anil Shah	11.70
6.	Smt. Varsha Purandare	6.95
7.	Mr. Jayesh Shah	5.90
8.	Mr. Sanjay Gupta	0.75
9.	Mr. Sitaram Kunte	1.35
10.	Mr. Terje Bakken	1.35
11.	Mr. Ashok Purwaha	1.05

Commission:

The payments of Commission to non-executive directors are based on attendance in the Board and Committee meeting, time devoted for the Company and contribution made in the board processes and discussions.

Further, considering the profits of the Company for the Financial Year ended 31st March, 2022, aggregate commission of Rs. 141.00 Lakhs was paid to non-executive directors.

For the Financial Year ended 31st March, 2023, considering the profits of the Company, commission payable to non-executive directors was approved by the Board at its meeting held on 17th May, 2023. The details of commission to be paid to the non-executive directors are as given below:

Sr. No.	Name of Director	Commission (₹ In Lakhs)
1.	Mr. Partha Bhattacharyya	10
2.	Mrs. Parul S. Mehta	10
3.	Mr. M. P. Shinde	10
4.	Mr. Bhuwan Chandra Tripathi	50
5.	Mr. Sujal Anil Shah	20
6.	Smt. Varsha Purandare	20
7.	Mr. Jayesh Shah	30
8.	Mr. Sanjay Gupta	5
9.	Mr. Sitaram Kunte	25
10.	Mr. Terje Bakken	10
11.	Mr. Ashok Purwaha	5
12.	Mr. Alok Perti	5
13.	Dr. Amit Biswas	4

The aforesaid commission for the Financial Year 2022-23 will be paid to the non-executive directors after the adoption of accounts by the shareholders at the ensuing Annual General Meeting to be held on 1st September, 2023.

Mr. M P Shinde, Non-Executive Director of the Company is providing certain services in his professional capacity to the Company as per the terms of the contract entered into with him. In his role as Consultant to the Company, he advises on issues relating to Environment, Health and Safety, Plant Operations, Pollution Control and allied activities for the Company's various plants. In accordance with the approval from the Audit Committee, the Company paid professional fee of ₹ 25,00,000 /- to him during FY 2022-23.

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. The Company has not issued any stock options to any of the directors. None of the directors are holding any convertible securities of the Company.

Details of Shares held by Non-Executive Directors as on 31st March, 2023:

Sr. No.	Name of Director	Holding
1.	Mrs. Parul S. Mehta	1,409 Equity Shares
2.	Mr. M. P. Shinde	1,000 Equity Shares
3.	Mr. Partha Bhattacharyya	Nil
4.	Mr. Bhuwan Chandra Tripathi	Nil
5.	Mr. Sujal Anil Shah	Nil

Sr. No.	Name of Director	Holding
6.	Smt. Varsha Purandare	Nil
7.	Mr. Jayesh Shah	Nil
8.	Mr. Sanjay Gupta	Nil
9.	Mr. Sitaram Kunte	Nil
10.	Mr. Terje Bakken	Nil

ANNUAL GENERAL MEETING

Details of special resolutions passed in the last three Annual General Meetings held are provided below:

Particulars	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
Day	Monday	Thursday	Friday
Date	21st September, 2020	26th August, 2021	2nd September, 2022
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	The Annual General Meeting was held through Video Conferencing("VC") / Other Audio Visual Means("OAVM")	The Annual General Meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
Whether any special resolutions passed	Yes 1. To waive of excess managerial remuneration aggregating to Rs. 264.76 Lakhs paid to Mr. S. C. Mehta, Chairman and Managing Director. 2. To rollover the Special Resolution by another 365 days to enable subscription of Foreign Currency Convertible Bonds on or after 17th September, 2020 and to take such other corporate actions as mentioned in the resolution passed on 18th September, 2018 as and when necessary within the same threshold limit of Rs. 600 Crore.	Yes To consider and approve Special Resolution enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible or Partly Convertible Debentures and such other securities as stated in the resolution, including by way of a qualified institutional placement in accordance with Chapter VI of the SEBI (ICDR) Regulations, in one or more tranches not exceeding Rs. 600 Crore.	Yes To consider and approve appointment Mr. Jayesh Hirji Shah (DIN: 05011160) as an Independent Director of the Company.

SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review, no Special Resolution was passed through Postal Ballot.

However, the Company has issued notices of Postal Ballot on 30th March, 2023 for obtaining the approval of the shareholders via Special Resolution for the following items:

1. Re-appointment of Mr. Bhuwan Chandra Tripathi (DIN: 01657366) as an Independent Director of the Company.
2. Appointment of Mr. Sanjay Gupta (DIN: 05281731) as an Independent Director of the Company.
3. Appointment of Mr. Sitaram Janardan Kunte (DIN: 02670899) as an Independent Director of the Company.
4. Appointment of Mr. Terje Bakken (DIN: 10044096) as an Independent Director of the Company.

5. Re-appointment of Mr. Sailesh C. Mehta (DIN: 00128204) as Chairman and Managing Director of the Company.

Shri Sridhar Mudaliar, Partner, SVD & Associates, Practising Company Secretaries (Membership No. FCS 6156, CP No. 2664) was appointed to act as the Scrutiniser for conducting voting process in a fair and transparent manner. The result of the Postal Ballot was intimated to the Stock Exchanges on 3rd May 2023.

The details of voting result on the aforesaid resolutions were as follows:

Sr. No.	Description	Votes (No. of shares and %)	
		In favour	Against
1	Re-appointment of Mr. Bhuwan Chandra Tripathi (DIN: 01657366) as an Independent Director of the Company.	8,05,99,205	8,76,889
		98.92%	1.08%
2	Appointment of Mr. Sanjay Gupta (DIN: 05281731) as an Independent Director of the Company.	8,14,10,980	65,118
		99.92%	0.08%
3	Appointment of Mr. Sitaram Janardan Kunte (DIN: 02670899) as an Independent Director of the Company.	7,65,41,881	65,125
		99.92%	0.09%
4	Appointment of Mr. Terje Bakken (DIN: 10044096) as an Independent Director of the Company.	8,14,11,155	64,937
		99.92%	0.08%
5	Re-appointment of Mr. Sailesh C. Mehta (DIN: 00128204) as Chairman and Managing Director of the Company.	6,52,00,573	1,62,80,456
		80.02%	19.98%

SPECIAL RESOLUTION PROPOSED TO BE PASSED THROUGH POSTAL BALLOT

None of the businesses/special resolution proposed to be transacted requires the passing of a Resolution by way of Postal Ballot.

PROCEDURE FOR POSTAL BALLOT

In compliance with the Circulars issued by the Ministry of Corporate Affairs Circulars"), the Company had sent Postal Ballot Notice only through electronic mode on 30th March, 2023 to those Shareholders whose names appeared in the Register of Member / Record of Depositories as on Friday, 24th March, 2023 ("cut-off date") and whose email addresses are registered with the Company/Depositories on the said date.

The Company had also published notice in the newspapers on 31st March, 2023 for the information of the shareholders. The voting rights were reckoned on the equity shares held by the shareholders as on the cut-off date that was 24th March 2023. The voting period for postal ballot and E-voting was from 31st March,2023 to 29th April, 2023.

The postal ballot results were intimated to the stock exchanges on 3rd May, 2023 pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as displayed on the Company's website www.dfpcl.com. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

DISCLOSURES:

i. Name & Designation of Compliance Officer:

Mr. Gaurav Munoli, Company Secretary and Compliance Officer.

ii. Details of Directors seeking appointment / re-appointment at the Annual General Meeting:

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Forty-Third Annual General Meeting, forming part of this Annual Report.

iii. Pecuniary relationship/transaction with non-executive directors:

During the year under review, there was no pecuniary relationship/transactions with any non-executive director of the Company except the payment of professional fee of Rs. 25,00,000 /- to Mr. M. P. Shinde, Non-executive Director during FY 2022-23 as stated above.

iv. Disclosures on material related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:

During the year 2022-23, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, the same were specifically reviewed by a firm of independent Chartered Accountant.

During the financial year under review, there were no material related party transactions in terms of amended Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors at its meeting held on 29th March, 2022 (further amended on 25th May, 2022), have approved a revised 'Policy on Materiality of Related Party Transactions' as per amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the policy has been uploaded on https://www.dfpcl.com/uploads/2017/04/Policy-for-Related-Party-Transactions.pdf

v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

As reported in the Annual Report of Financial Year 2020-21, BSE Limited (BSE) in the month of March, 2021 had levied a fine of Rs 2,000 because of failure to take / ensure adequate steps for expeditious redressal of investor complaints under Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company had made a representation to BSE to set aside the fine and the same has been waived by BSE.

Further, BSE and National Stock Exchange of India Limited (NSE) in the month of December, 2021 had levied a fine of ₹ 10,000/- each for non-compliance with Regulation 29(2)/ (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

vi. Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31st March, 2023; and
- The Internal Auditor directly reports to the Audit Committee

vii. Disclosures of relationships between Directors inter-se:

Mrs. Parul S. Mehta is wife of Mr. S. C. Mehta.

Except as mentioned above, none of the other Directors have any relation inter-se.

viii. Vigil Mechanism / Whistle Blower policy:

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee to report violation of the applicable laws, regulations and code of conduct. The Audit Committee periodically reviewes the complaints received by the competent authority under the Policy. The Vigil Mechanism / Whistle Blower Policy has been posted on the website of the Company https://www.dfpcl.com/uploads/2018/12/WhistleBlowerPolicy.pdf

ix. Regulations for prevention of Insider trading:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Insider for its Directors, Officers and Designated Persons (Insider Trading Policy).

Mr. Gaurav Munoli, Company Secretary is the Compliance Officer under the said Policy.

x. Material Subsidiaries:

The material subsidiaries of the Company are Mahadhan AgriTech Limited and Performance Chemiserve Limited as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has formulated the Policy on determining Material Subsidiaries and the same has been posted on https://www.dfpcl.com/uploads/2020/02/Policy-on-determining-material-subsidiaries.pdf

xi. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32A of SEBI Listing regulations:

The details have been provided in the Board's Report.

xii. Confirmation by the Board of Directors on acceptance of recommendation of mandatory committees:

The Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

xiii. Annual Secretarial Compliance Report:

SEBI vide its circular dated 8th February, 2019 mandated all the listed entities to obtain annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR – 3). The Company has received the aforesaid report from M/s. SVD & Associates, Company Secretaries in practice for the Financial Year 2022-23.

A copy of the Annual Secretarial Compliance Report is enclosed in this Annual Report (Refer Annexure 6). The observations of M/s. SVD & Associates, Company Secretaries in their report are self-explanatory.

xiv. Certificate from Practising Company Secretary under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received a certificate from M/s. SVD & Associates, Company Secretaries in practice confirming that none of the board of directors of the Company are debarred or disqualified from being appointed or continuing as director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

A copy of the aforesaid certificate is enclosed in this Annual Report (Refer Annexure 7). The report is unqualified. There are no observations in the aforesaid report.

xv. Disclosure of total fees paid to the Statutory Auditor:

For the financial year 2022-23, ₹ 45 Lakhs were paid to P G BHAGWAT LLP, Statutory Auditors of the Company. Neither the aforesaid Statutory Auditor nor the entities in the network firm in which the statutory auditor is a part, provided any services to the subsidiary companies of the Company.

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

The necessary disclosure on the subject have been already made in the Board's Report.

xvii. Commodity price risk or foreign exchange risk and hedging activities:

Foreign Exchange Risk:

On the foreign exchange risk, the Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward / options contracts.

Commodity Risk:

As a manufacturing company of Industrial Chemicals and Fertilisers, Company is exposed to risks due to fluctuations in prices of its key raw material (Natural Gas / LNG, Propylene, Phosphoric Acid, Ammonia, Muriate of Potash, etc.) used in operations. Prices of all these raw materials are linked to or derived from international market which are volatile in nature. Company follows Board approved Commodity Risk management policy for hedging price risk of major raw materials wherever possible. The policy establishes commodity risk management framework and defines the procedures and controls for effective management of risks that arises through company's manufacturing operations.

xviii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

None, except as disclosed in notes to the financial statements.

xix. Details of material subsidiaries of the company:

Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Statutory Auditor	Date of appointment of Statutory Auditor
Mahadhan AgriTech Limited (Formerly Known as Smartchem Technologies Limited)	21st January, 1987	Gujarat	M/s. B. K. Khare & Co., Chartered Accountants	21st September, 2017
Performance Chemiserve Limited	1st March, 2006	Maharashtra	M/s. B. K. Khare & Co., Chartered Accountants	13th August, 2018.

MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as Sakal or Loksatta and Indian Express or Financial Express.

The Company has its own website, www.dfpcl.com, which contains all important public domain information including press releases, presentations, if any, made to the analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including details of the contact persons of the Company and of the share transfer agent of the Company, shareholding pattern etc.

General Shareholder Information

1	**Annual General Meeting - Day, Date, Time and / Venue**	Friday, 1st September, 2023 at 11.00 a.m. The Company would be conducting meeting through video conferencing ('VC')/ other audio-visual means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM.
2	**Financial year / Calendar**	
	Results for first quarter ending 30th June, 2023	Within 45 days from the end of the quarter
	Results for second quarter ending 30th September, 2023	Within 45 days from the end of the quarter
	Results for third quarter ending 31st December, 2023	Within 45 days from the end of the quarter
	Results for financial year ending 31st March, 2024	Within 60 days from the end of the financial year
3	**Date of Book Closure**	Saturday, 26th August, 2023 to Friday, 1st September, 2023 (both days inclusive)
4	**Dividend Payment Date**	On or before 30th September, 2023
5	**Registered Office and CIN**	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036. CIN : L24121MH1979PLC021360
6	**Phone, E-mail**	Phone: (020) 6645 8000 Email: investorgrievance@dfpcl.com Website: www.dfpcl.com
7	**Plant Location**	MIDC Industrial Area, Taloja, District: Raigad, Maharashtra Plot No. D-II/7A, GIDC Industrial Estate, Dahej, Taluka: Vagra, State: Gujarat **Plants of Subsidiary:** MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra, Village: Ponnada, Etchelra Mandalam, Srikakulam, Andhra Pradesh - 532 408 Plot No. 47, HSIIDC, Industrial Estate, Refinery Road, Panipat, Haryana- 500 002
8	**Registrar & Share Transfer Agent (RTA) and Address for Investors' Correspondence**	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9	**Phone, E-mail of RTA**	Toll Fee No.: 1 800 309 4001 Phone: (040) 6716 2222 Email: einward.ris@kfintech.com
10	**Listing on Stock Exchanges**	a) BSE Limited (BSE): 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001; and b) National Stock Exchange of India Limited (NSE) : Exchange Plaza, 5th Floor Plot No. C-1, G Block Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Annual Listing fee for financial year 2022-23 has been paid to both the Exchanges
11	**Stock Code**	BSE Limited (BSE): 500645 National Stock Exchange of India Limited (NSE): DEEPAKFERT
12	**Demat ISIN in NSDL and CDSL**	INE501A01019

MARKET PRICE DATA FOR FY 2022-23:

MONTH	SHARE PRICE (in Rs.)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2022	730.00	549.85	60845.10	56009.07
May, 2022	679.10	522.15	57184.21	52632.48
June, 2022	723.60	542.45	56432.65	50921.22
July, 2022	709.65	589.60	57619.27	52094.25
August, 2022	1000.00	745.10	60411.20	57367.47
September, 2022	948.70	832.00	60676.12	56147.23
October, 2022	1061.70	863.40	60786.70	56683.40
November, 2022	969.00	761.05	63303.01	60425.47
December, 2022	861.00	622.05	63583.07	59754.10
January, 2023	722.00	606.40	61343.96	58699.20
February, 2023	684.00	611.00	61682.25	58795.97
March, 2023	666.00	512.80	60498.48	57084.91

Distribution of shareholding as on 31st March, 2023: 1,93,628 shareholders hold 12,62,37,825 equity shares of 10/- each.

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2023

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-5000	1,88,702	95.24	1,39,60,529	11.06
2	5001 - 10000	4,950	2.50	37,94,305	3.01
3	10001 - 20000	2,222	1.12	32,92,436	2.61
4	20001 - 30000	729	0.37	18,53,538	1.47
5	30001 - 40000	343	0.17	12,30,026	0.97
6	40001 - 50000	253	0.13	11,80.889	0.94
7	50001 - 100000	463	0.23	33,01,583	2.62
8	100001 and above	464	0.23	9,76,24,519	77.33
	Total	**1,98,126**	**100**	**12,62,37,825**	**100**

SHARE TRANSFER SYSTEM:

All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation/ rematerialisation are processed at KFin. The work related to dematerialisation/ rematerialisation is handled by KFin through connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited ('CDSL').

Pursuant to Regulation 40 of Listing Regulations, no requests for effecting transfer of securities have been processed unless the securities are held in the dematerialised form with the depository with effect from 1st April, 2019. However, this restriction shall not be applicable to request received for effecting transmission or transposition of physical shares. Further, SEBI has mandated that securities shall be issued only in dematerialized mode while processing duplicate/unclaimed suspense/ renewal / exchange / endorsement /sub-division/ consolidation/ transmission/transposition service requests received from physical securities holders.

SEBI has also mandated furnishing of PAN, contact details, bank account details and nomination by holders of physical securities. Further, SEBI has also directed RTAs to freeze folios wherein PAN, KYC details and Nomination are not available on or after 1st October, 2023. The shareholders are requested to update their details with Company/RTA by submitting form ISR 1 which is available on website of the Company viz. https://www.dfpcl.com/forms.

The Shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account to seek guidance in the demat procedure.

The Shareholders may also visit website of depositories viz. NSDL viz. https://nsdl.co.in/faqs/faq.php or CDSL viz. https://www.cdslindia.com/Investors/open-demat.html for further understanding of the demat procedure.

DEMATERIALISATION OF SHARES AND LIQUIDITY:

The equity shares of the Company are listed on BSE and NSE and are frequently traded in dematerialised form. As on 31st March, 2023, 12,23,86,365 Equity Shares (96.95% of paid- up capital) held by 1,68,878 shareholders (96.95% of total number of shareholders) are in dematerialised form.

Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail numerous benefits, including but not limited to easy liquidity, ease of trading and transfer, savings in stamp duty, and elimination of any possibility of loss of documents.

OUTSTANDING GDRS, ADRS, WARRANTS OR ANY CONVERTIBLE INSTRUMENTS ETC.:

Conversion of Second Tranche of Foreign Currency Convertible Bonds (FCCBs)

The details with respect to conversion of FCCBs has been provided in the Board's Report.

Details of Utilisation of Funds Raised through Preferential Allotment or Qualified Institutions Placement

Details with respect to utilisation of funds is provided in the Board's Report.

ELECTRONIC CREDIT OF DIVIDEND:

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

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

In case, the Company is unable to pay dividend to any Member by the electronic mode due to non-availability of the details of the bank account, the Company shall dispatch the demand draft/banker's cheque to such Member by post/courier.

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer.

Various steps are being taken on an ongoing basis to reach out to shareholders, through emails, and other means, requesting them to claim shares which are due for transfer to IEPF. In addition, the Company also publishes a notice in newspapers intimating the members regarding the said transfer.

During the year under review, the Company transferred **1,27,289** equity shares of the face value of ₹ 10 each in respect of **1,417** shareholders to the Demat Account of the IEPF Authority held with CDSL.

The bifurcation of the shares transferred to IEPF during Financial Year 2022-23 is as given below:

Category	Number of holders	No. of shares
Physical	1,337	1,20,675
NSDL	57	3,721
CDSL	29	2,893
Total	**1,417**	**1,27,289**

The dividend and shares which have been transferred to IEPF can be claimed by the shareholders by following the procedure as prescribed by the Ministry of Corporate Affairs, which is available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in

CREDIT RATING

During the year under review, ICRA Limited has assigned the following ratings:

Type of Instruments	Ratings Action
Short Term	A1 +
Long Term	AA-

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

In the Financial Year 2020-21, the Company had offered its equity shares on rights basis to eligible shareholders and in compliance with the relevant SEBI Circulars and Regulations, some of the shares were transferred to demat suspense account opened by the Company for this purpose.

As per Schedule V (F) of the SEBI LODR Regulations, 2015 the Company reports the following details in respect of equity shares lying in the demat suspense account.

Sr. No.	Particulars	No. of Shareholders	Outstanding Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	34	1,025
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	11	286
3.	Number of shareholders to whom shares were transferred from suspense account during the year	11	286
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	23	739

The voting rights on the aforesaid shares lying in demat suspense account shall remain frozen till the rightful owner of such shares claim the shares.

ANNUAL GENERAL MEETING TO BE CONDUCTED THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO -VISUAL MEANS ("OAVM")

The Ministry of Corporate Affairs ("MCA") vide its general circular dated 28th December, 2022 read with MCA circulars dated 5th May, 2022, 13th January, 2021, 5th May, 2020, 8th April, 2020 and 13th April, 2020 and Securities and Exchange Board of India ("SEBI") Vide its circular dated 5th January, 2023 (hereinafter referred to as "Circulars") permitted companies to hold their general meetings through video conferencing (VC) or other audio visual means (OAVM) for the year 2023.

Accordingly, the Board of Directors have given their approval for convening the 43rd Annual General Meeting of the Company through Video Conferencing and / or other audio-visual means (OAVM) (hereinafter referred to as "VC/OAVM"). For more details, shareholders are requested to go through the Annual General Meeting Notice.

Further, pursuant to the relevant MCA and SEBI circulars, Annual Reports are being sent through e-mail only.

To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register / update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFin by clicking on the link https://ris.kfintech.com/clientservices/isc/.

DECLARATION

As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2022-23.

Place: Pune
Dated : 17th May, 2023

S. C. Mehta
Chairman & Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members
Deepak Fertilisers And Petrochemicals Corporation Limited
Survey No. 93, Ghorpadi Road,
Sai Hira, Mundhwa,
Pune, Maharashtra 411036

1. This certificate is issued in accordance with the terms of our engagement letter dated 5th September 2022.

2. The report contains details of compliance of conditions of Corporate Governance by Deepak Fertilisers and Petrochemicals Corporation Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

MANAGEMENT'S RESPONSIBILITY FOR THE DECLARATION:

3. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

4. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY:

5. Our responsibility is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2023.

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special purposes' (Revised 2016) and Guidance Note on Certification of Corporate Governance', both issued by Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION:

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTION ON USE:

11. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For P G BHAGWAT LLP
Chartered Accountants
Firm Registration Number: 101118W / W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPPA6468

Place : Pune
Date : May 17, 2023

Standalone
Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of Deepak Fertilisers And Petrochemicals Corporation Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent Liabilities	Principle Audit Procedures
The Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation. The Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Standalone Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 40, 45 and note 47 to the Standalone Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ii. Obtained the Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2022-23 and post year-end status of litigations; iii. Inquired with the Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Company's assessment of the litigations and claims; iv. Evaluated the Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations/disclosures made in the Standalone Financial Statements; and vi. Assessed the adequacy of the disclosures made by the Company relating to contingent liabilities in the Standalone Financial Statements.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

   g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 40;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.

(iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023 except the following:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(vi) The requirement to use accounting software that includes an audit trail (edit log) feature for maintaining a Company's books of account, as mandated by rule 3(1) of the Companies (Accounts) Rules, 2014, has been postponed until the financial years beginning on or after April 1, 2023. As a result, we are not able to report under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 for the financial year that ended on March 31, 2023.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOE3845

Pune
May 17, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program majority of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Standalone Financial Statements (refer note 3) are held in the name of the Company except as specified below:

Description of Property	Gross carrying Value (Rs Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Land	15,280	Yerrowda Investments Limited	No, it is Joint Operation	From 1998	Economic rights held by the Company

(d) The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.

(e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. In respect of good-in-transit, subsequent goods delivery documents have been verified by the management. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/ reconciled with the unaudited books of account of the Company.

iii. According to the information and explanations provided to us, during the year, the Company has made investments in other entities. The Company has provided guarantee and has granted unsecured loans to its subsidiary companies and one other party.

(a) According to the information and explanations provided to us, during the year, the Company has provided loans and stood guarantee for its subsidiary companies and one other party.

(A) & (B)

Aggregate amount given during the year (Rs. Lakhs)	Balance outstanding at the balance sheet date (Rs. Lakhs)	Subsidiaries, joint ventures, associates and others	Nature of transaction
37,502	13,753	Wholly owned subsidiary companies	Unsecured Loan
2,49,917	4,99,317 against which 2,22,252 loan is outstanding	Subsidiary and step-down subsidiaries	Corporate Guarantees
1,00,000	1,00,000	Wholly owned subsidiary companies	Optionally Convertible Debentures
1	1	Wholly owned subsidiary Company	Equity
-	1,786	Other Party	Corporate Guarantee

(b) According to the information and explanations provided to us and based on our review of the terms, conditions and circumstances, the investments made and guarantees provided and the terms and conditions of the grant of loans are not prejudicial to the Company's interest.

(c) According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have been stipulated. The repayments or receipts are as per the schedule stipulated.

(d) According to the information and explanations provided to us and based on the terms and conditions of the loans, no amount is overdue.

(e) According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) According to the information and explanations provided to us, the Company has granted loans repayable on demand of ₹ 2 Lakhs in current year. The outstanding balance is ₹ 29 Lakhs. These have been given to related parties as defined in clause (76) of section 2 of the Act (refer note 12 to the Standalone Financial Statement) which are 0.21 % of the total loans to related parties.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of statutory dues referred in sub clause (a) above as at March 31, 2023, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statue	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income tax Demands	2	-	Assessment Year 1993-1994	Income Tax Appellate Tribunal
The Income Tax Act 1961	Income tax Demands	6,543	1,901	Assessment Years 1997-1998, 2013-2014 to 2015-2016, 2019 -2020 and 2020-21	Commissioner of Income Tax (Appeals)
The Income Tax Act 1961	Income tax Demands	11	-	Assessment Years 1993- 1994 and 2003-2004	Income Tax Assessing Officer
The Central Excise Act, 1944	Excise duty demands	1,355	20	Financial Years 2007-2008 to 2010-2011 and 2014-2015	Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty Demands	893	-	Financial Years 2008-2009 to 2009-2010	Supreme Court
The Central Excise Act, 1944	Excise duty Demands	27	-	Financial Year 2017-2018	Commissioner of GST & Central Excise
Finance Act, 1994 (Service Tax)	Service tax Demands	431	18	Financial Year 2015-2016	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994 (Service Tax)	Service tax Demands	1,881	-	Financial Years 2006-2007 to 2011- 2012	Bombay High Court
Finance Act, 1994 (Service Tax)	Service tax Demands	142	7	Financial Years 2016-2017 and 2017-2018	Customs Excise and Service Tax Appellate Tribunal, Ahmedabad
The Bombay Sales Tax Act, 1959	Sales tax Demands	72	-	Financial Year 2004-2005	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax Demands	2,072	165	Financial Years 2004-2005 to 2006-2007 and 2010-2011 to 2013-2014	Maharashtra Sales Tax Tribunal
The Central Sales Tax Act, 1956	Sales tax Demands	330	60	Financial Year 2014-2015	Joint Commissioner of Appeals of Sales Tax, Pune
The Maharashtra Value Added Tax Act, 2002	Sales tax Demands	877	27	Financial Years 2005-2006, 2011-2012 and 2012-2013	Maharashtra Sales Tax Tribunal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Sales tax Demands	279	14	Financial Year 2016-2017	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax Demands	478	33	Financial Year 2015-2016	Joint Commissioner Appeals
The Central Sales Tax Act, 1956	Sales tax Demands	1,596	86	Financial Year 2016-2017	Joint Commissioner Appeals
The Maharashtra Sales Tax on Transfer of Right to Use any Goods for any purpose 1985	Lease tax on crane hire charges	0	-	Financial Year 1990-1991	Dy. Commissioner of Sales Tax, Pune

Name of Statue	Nature of Dues	Amount (₹ Lakhs)#	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Maharashtra Tax on the Entry of Goods in Local Areas of Act, 2002	Entry tax on natural gas procured from outside Maharashtra	4,622	1,635	Financial Years 2012-2013 to 2016-2017	Maharashtra Sales Tax Tribunal, Mumbai
Custom Tariff Act, 1975	Tariff heading classification	5	-	Financial Years 2005-2006 to 2009-2010	Deputy Commissioner of Customs (Preventive) Alibaug Division, Marine & Preventive Wing, Mumbai
Custom Tariff Act, 1975	Custom Valuation rules	369	-	Financial Years 2012-2013 to 2015-2016	The Directorate of Revenue Intelligence, Kolkata
The Central Sales Tax Act, 1956	Sales Tax Demand	240	23	Financial Year 2017-2018	Joint Commissioner Appeals, Maharashtra
The Andra Pradesh VAT Act, 2005	Sales Tax Demand	2,298	-	Financial years 2014-25 to 2016-17	Commercial Tax Dept, Gonv of Andra Pradesh
The Haryana VAT Act, 2003	Sales Tax Demand	4	-	Financial Year 2017-2018	Excise and Taxation Officer, Panchkula

#Amount disclosed above includes interest and penalty, wherever applicable.

Note: Zero represents amounts below rupees fifty thousand.

viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) Based on our audit procedures; in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.

(b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and in our opinion, no term loans availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.

(d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. However, due to conversion of a loan into equity as per term of the agreement, the share capital has increased by ₹ 565 Lakhs.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable.

xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.

(b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 39(b)

xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.

xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.

(b) According to the information and explanations given to us, there are no Core Investment Company within the Group.

xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations provided to us, an amount of ₹ 101 Lakhs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOE3845

Pune
May 17, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 (F) UNDER THE HEADING, "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON EVEN DATE:

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Deepak Fertilisers And Petrochemicals Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOE3845

Pune
May 17, 2023

Balance Sheet

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	70,033	89,495
Capital work-in-progress	4	1,721	942
Investment property	5	19,642	3,146
Right of use assets	6	10,695	10,002
Other intangible assets	7	3,077	1,010
Intangible assets under development	8	182	112
Financial assets			
i. Investments	9	1,85,037	84,552
ii. Loans	12	-	92,429
iii. Other financial assets	15	5,664	4,366
Income tax assets (net)		12,170	10,500
Other non-current assets	16	8,561	9,832
Total non-current assets		**3,16,782**	**3,06,386**
Current assets			
Inventories	17	14,013	12,574
Financial assets			
i. Investments	10	13,429	30,748
ii. Trade receivables	11	16,103	11,630
iii. Cash and cash equivalents	13	2,499	3,230
iv. Other bank balances	14	1,312	976
v. Loans	12	13,802	4,120
vi. Other financial assets	15	4,408	4,817
Other current assets	18	2,429	4,056
Total current assets		**67,995**	**72,151**
Total assets		**3,84,777**	**3,78,537**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	12,624	12,059
Other equity	20	2,86,863	2,60,608
Total equity		**2,99,487**	**2,72,667**

Balance Sheet

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	23,071	43,154
ii. Lease liabilities	6	1,342	994
iii. Other financial liabilities	22	1,533	1,665
Provisions	23	2,711	3,421
Deferred tax liabilities (net)	25	3,674	2,973
Total non-current liabilities		**32,331**	**52,207**
Current liabilities			
Financial liabilities			
i. Borrowings	21	10,774	12,312
ii. Lease liabilities	6	1,386	583
iii. Trade payables	24		
(a) total outstanding dues of micro and small enterprises		1,676	1,945
(b) total outstanding dues of creditors other than micro and small enterprises		25,221	24,608
iv. Other financial liabilities	22	6,132	6,723
Other current liabilities	26	3,266	2,997
Provisions	23	4,504	4,495
Total current liabilities		**52,959**	**53,663**
Total liabilities		**85,290**	**1,05,870**
Total equity and liabilities		**3,84,777**	**3,78,537**
Significant accounting policies	1-2		
The accompanying notes form an integral part of the financial statements	3-51		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Statement of Profit and Loss

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	27	2,34,982	2,28,944
Other income	28	13,404	8,817
Total income		**2,48,386**	**2,37,761**
Expenses			
Cost of materials consumed	29	1,57,497	1,22,335
Purchases of stock-in- trade	30	20,146	45,783
Changes in inventories of finished goods & stock-in-trade	31	(2,205)	2,904
Employee benefits expense	32	7,406	8,419
Finance costs	33	5,112	6,906
Depreciation and amortisation expense	34	6,693	8,017
Other expenses	35	14,723	16,777
Total expenses		**2,09,372**	**2,11,141**
Profit before tax		**39,014**	**26,620**
Tax expense			
Current tax	44	8,855	6,705
Deferred tax (credit)/charge	25	1,025	137
Total tax expense		**9,880**	**6,842**
Profit for the year		**29,134**	**19,778**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		68	33
Income tax relating to these items	25	(18)	(8)
Total (A)		**50**	**25**
Items that will be reclassified subsequently to profit or loss			
Cash Flow hedge		(1,357)	863
Changes in fair value of investments carried at fair value through OCI		-	-
Income tax relating to these items	25	342	(217)
Total (B)		**(1,015)**	**646**
Other comprehensive income for the year (A+B), net of tax liability		**(965)**	**671**
Total comprehensive income for the year		**28,169**	**20,449**
Earnings per equity share of ₹ 10 each	35(c)		
i) Basic (in ₹)		23.52	17.62
ii) Diluted (in ₹)		23.52	17.48
Significant accounting policies	1-2		
The accompanying notes form an integral part of the financial statements	3-51		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Standalone Cash Flows

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	39,014	26,620
Adjustments for		
Depreciation and amortisation expense	6,693	8,017
(Profit)/Loss on sale of property, plant and equipment	(10)	18
Provision for doubtful trade receivables	406	123
Bad Debts	53	-
Income on financial guarantee	(864)	(372)
Gain on sale of investments	(741)	(321)
Unwinding of discount on security deposits	(174)	-
Changes in fair value of financial assets through profit or loss	(29)	(221)
Provision for stores and spares	142	-
Write off / Provision for loan given to companies	50	13
Income on reversal of decommissioning liability	(392)	-
Interest income due to conversion of FCCB loan in shares	(429)	-
Provision for capital work in progress	149	477
Unrealised (profit) on embedded derivative contracts	(17)	17
Interest income	(9,437)	(7,025)
Finance costs	5,541	6,906
Unrealised foreign exchange fluctuations loss/(profit) (net)	13	438
Cash generated from operations before working capital changes	**39,968**	**34,690**
Change in trade receivables	(4,932)	12,863
Change in inventories	(1,581)	280
Change in trade payables	332	1,208
Change in other financial liabilities	(109)	(305)
Change in other financial assets	112	(2,104)
Change in other non-current assets	(210)	1,782
Change in other current assets	1,627	(1,358)
Change in provisions	(633)	(1,190)
Change in other current liabilities	661	1,221
Cash generated from operations	**35,235**	**47,087**
Income taxes paid (net)	(10,525)	(7,902)
Net cash generated from operating activities	**24,710**	**39,185**
Cash flows from investing activities		
Purchase of additional shares in body corporate/subsidiary/associate	-	(245)
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(3,849)	(9,069)

Standalone Cash Flows

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Proceeds from sale of property, plant and equipment	67	41
Purchase of investments	(2,24,188)	(2,27,093)
Proceeds from sale of investments	2,42,277	2,07,391
Loans to subsidiaries	(37,502)	(52,893)
Loans to employees and other loans given	(6)	(24)
Repayment of loans by subsidiaries	20,205	5,000
Fixed deposit placed	(1,126)	(7,349)
Fixed deposit matured	295	13,951
Interest received	7,818	9,483
Net cash generated/(used in) investing activities	**3,991**	**(60,807)**
Cash flows from financing activities		
Repayment of long term borrowings	(12,117)	(11,810)
Share issue Exp paid	-	(1,158)
Payment of lease liability (net)	(1,039)	(656)
Proceeds from issue of shares through qualified institutional placement	-	51,000
Interest paid	(5,782)	(6,825)
Dividends paid	(10,494)	(8,128)
Net cash (used in) / generated from financing activities	**(29,432)**	**22,423**
Net increase in cash and cash equivalents	(731)	801
Cash and cash equivalents at the beginning of the year (refer note no 13)	3,230	2,429
Cash and cash equivalents at end of the year	**2,499**	**3,230**

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

Reconciliation of cash and cash equivalents as per the Cash flow statement

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash and cash equivalents at the end of year	2,499	3,230
Bank overdraft	-	-
	2,499	**3,230**

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Statement of Changes in Equity

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	12,059	10,268
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	**12,059**	**10,268**
Changes in equity share capital during the year		
Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	-	1,244
Shares issued by way of conversion of Foreign Currency Convertible Bonds (FCCB)	565	547
Balance at the end of the year	**12,624**	**12,059**

B. OTHER EQUITY

	Reserves and surplus						Items of Other Comprehensive Income (OCI)			Total
	Securities premium	Capital redemption reserve	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remea-surement of defined benefit plans	Fair value through OCI	Effective portion of Cash Flow Hedges	
Balance as at 1 April 2021	**30,307**	**150**	**4,167**	**2,790**	**17,710**	**1,36,757**	**(1,328)**	**(97)**	**370**	**1,90,826**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	30,307	150	4,167	2,790	17,710	1,36,757	(1,328)	(97)	370	1,90,826
Profit for the year	-	-		-	-	19,778	-	-		19,778
Other comprehensive income	-	-		-	-	-	25	-	646	671
Total comprehensive income for the previous year	-	-	-	-	-	19,778	25	-	646	20,449
Conversion of foreign currency convertible bonds	10,133	-	-	(1,286)	-	-	-	-	-	8,847
Issue of Qualified Institutional Placement (QIP)	49,756	-	-	-	-	-	-	-	-	49,756
Share issue expenses	(1,158)								-	(1,158)
Dividend paid	-					(8,112)			-	(8,112)
Balance as at 1 April 2022	**89,038**	**150**	**4,167**	**1,504**	**17,710**	**1,48,423**	**(1,303)**	**(97)**	**1,016**	**2,60,608**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	89,038	150	4,167	1,504	17,710	1,48,423	(1,303)	(97)	1,016	2,60,608
Profit for the year	-	-		-	-	29,134	-	-	-	29,134
Other comprehensive income	-	-		-	-	-	50	-	(1,015)	(965)
Total comprehensive income for the year	-	-	-	-	-	29,134	50	-	(1,015)	28,169
Conversion of foreign currency convertible bonds	10,443	-	-	(1,504)	-	-	-	-	-	8,939
Dividend paid	-	-	-	-	-	(10,853)	-	-	-	(10,853)
Balance as at 31 March 2023	**99,481**	**150**	**4,167**	**-**	**17,710**	**1,66,704**	**(1,253)**	**(97)**	**1**	**2,86,863**

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

1. Corporate Information

Deepak Fertlisers And Petrochemicals Corporation Limited ("the Company") is a company domiciled in India, with its registered office at Pune, Maharashtra, India. The Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange ("BSE") in India.

The Company is primarily engaged in the business of manufacture, trading and sale of bulk chemicals. The Company also has operations in value added real estate.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 17, 2023.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value.

The standalone financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than ₹ 50,000.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates, assumptions and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions for Litigations and claims

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the standalone financial statements. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

Impairment of investment in subsidiaries

The Company reviews its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the standalone Statement of Profit and Loss.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Company assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated

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experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the standalone Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets.

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For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the standalone Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Operating rights	10

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time

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to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the standalone Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the standalone Statement of Profit and Loss in the period of de-recognition.

Transfers to (or from) investment property are made only when there is a change in use. If the significant ancillary income is generated from services provided along with the rental income and/or the company creates any assets or facilitates activities that generate service income, such investment property shall be reclassified as property, plant, and equipment. If the ancillary and/or service income remains insignificant, the asset shall continue to remain as investment property. The classification may also change if the management decides to sell the property.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the standalone balance sheet.

(h) Foreign currency transactions and balances

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

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Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the standalone Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(i) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI.

There is no recycling of the amounts from OCI to the standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the standalone Statement of Profit and Loss.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the standalone Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in standalone Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the standalone Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair

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value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(j) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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(k) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, traded goods, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the standalone Statement of Profit and Loss.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(n) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund, pension scheme, employee state insurance and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the standalone balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the standalone Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the standalone Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

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(b) In case of non-accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the standalone Statement of Profit and Loss.

(o) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively as applicable. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the standalone Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the standalone Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Derivatives that are not designated as hedges: The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the standalone Statement of Profit and Loss.

(p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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(q) Cash dividend

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

(r) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

(s) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(v) Business combinations

The Company accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(w) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(x) Changes in significant accounting policies

There have been no changes in accounting policies during the financial year 2022-23.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

(y) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. **Ind AS 1 – Material accounting policies**- The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. **Ind AS 8 – Definition of accounting estimates-** The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. **Ind AS 12 – Annual Improvements to Ind AS (2021)-** The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Company is currently assessing the impact of application of these amendments on its financial statements.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 3: PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Buildings	Plant and Equipment	Electric Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount									
Balance as at 1 April 2021	**11,610**	**32,644**	**69,216**	**2,181**	**1,111**	**2,002**	**289**	**1,567**	**1,20,620**
Additions	665	62	4,201	150	1,321	211	49	259	6,918
Disposals	-	(22)	(29)	-	(69)	(58)	-	(178)	(356)
Gross carrying amount as at 31 March 2022	**12,275**	**32,684**	**73,388**	**2,331**	**2,363**	**2,155**	**338**	**1,648**	**1,27,182**
Accumulated depreciation									
Balance as at 1 April 2021	**-**	**(4,924)**	**(19,820)**	**(1,468)**	**(654)**	**(1,412)**	**(172)**	**(1,216)**	**(29,666)**
Depreciation charge for the year (refer footnote 1 below)	-	(1,520)	(6,041)	(157)	(144)	(209)	(29)	(237)	(8,337)
On disposals	-	9	23	-	69	52	-	163	316
Accumulated depreciation as at 31 March 2022	**-**	**(6,435)**	**(25,838)**	**(1,625)**	**(729)**	**(1,569)**	**(201)**	**(1,290)**	**(37,687)**
Net carrying amount as at 31 March 2022	**12,275**	**26,249**	**47,550**	**706**	**1,634**	**586**	**137**	**358**	**89,495**
Gross carrying amount									
Balance as at 1 April 2022	**12,275**	**32,684**	**73,388**	**2,331**	**2,363**	**2,155**	**338**	**1,648**	**1,27,182**
Additions	-	135	2,602	92	283	173	7	511	3,803
Disposals	(1)	-	(8)	(2)	(21)	(52)	-	(115)	(199)
Adjustment (Transfer to Investment property)*	(4,608)	(18,006)	-	-	-	-	-	-	(22,614)
Gross carrying amount as at 31 March 2023	**7,666**	**14,813**	**75,982**	**2,421**	**2,625**	**2,276**	**345**	**2,044**	**1,08,171**
Accumulated depreciation									
Balance as at 1 April 2022	**-**	**(6,435)**	**(25,838)**	**(1,625)**	**(729)**	**(1,569)**	**(201)**	**(1,290)**	**(37,687)**
Depreciation charge for the year (refer footnote 1 below)	-	(1,493)	(4,416)	(151)	(245)	(215)	(24)	(205)	(6,749)
On disposals	-	-	8	2	21	47	-	69	147
Adjustment (Transfer to Investment property)*	-	6,150	-	-	-	-	-	-	6,150
Accumulated depreciation as at 31 March 2023	**-**	**(1,778)**	**(30,246)**	**(1,774)**	**(953)**	**(1,737)**	**(225)**	**(1,426)**	**(38,139)**
Net carrying amount as at 31 March 2023	**7,666**	**13,035**	**45,736**	**647**	**1,672**	**539**	**120**	**618**	**70,033**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Refer Note 21 footnote for information on Property, plant and equipment provided as security by the Company.

Refer Note 2.3(c) for policy on depreciation

Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Freehold land	15,280	Yerrowada Investments Limited (Jointly controlled entity)	No	1998 onwards	Economic rights held by the Company

Above amount does not include building constructed by the Company on the freehold land based on the development rights held as per the joint venture agreement.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 4: CAPITAL WORK-IN-PROGRESS

	As at 31 March 2023	As at 31 March 2022
Projects (Mainly comprising of building and plant & machinery)	274	-
Others	1,447	942
Total	**1,721**	**942**

Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP Others in progress	1,449	193	25	54	1,721

CWIP	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	922	16	4	-	942

1) Projects temporarily suspended during the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

2) Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

Note 5: INVESTMENT PROPERTY

	As at 31 March 2023	As at 31 March 2022
Gross block		
Opening gross carrying amount	3,146	3,146
Reclassification from Property, plant and equipment	22,614	-
Closing balance	**25,760**	**3,146**
Accumulated depreciation		
Opening balance	-	-
Depreciation charge	-	-
Reclassification from Property, plant and equipment*	(6,118)	
Closing balance	**(6,118)**	**-**
Net carrying amount	**19,642**	**3,146**

*During the year one property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Fair value

	As at 31 March 2023	As at 31 March 2022
Investment properties	61,432	11,370

a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2023 is ₹ 61,432 Lakhs (31 March 2022: ₹ 11,370 Lakhs) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of Creaticity Mall, land parcels at Panchagini, Khamgaon, Solapur and vacant land at Yerwada.

Description of valuation technique used

The Company obtains independent valuations of its investment property perodically every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

b) The Company has earned rental income and incurred direct operating expense on the above properties. Details as below :

i) Rental and incidental income earned of ₹ 1,517 in Lakhs (31 March 2022 ₹ 911 in Lakhs)

ii) Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income ₹ 2,250 in Lakhs (31 March 2022 ₹ 2,058 Lakhs)

iii) Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income NIL (31 March 2022 NIL).

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 6: LEASES

A. Right of use assets

	Leasehold Building	Leasehold land	Furniture and fixtures	Plant and Machinery	Office Equipments	Total
Gross carrying amount						
Balance as at 1 April 2021	2,136	7,983	302	-	-	10,421
Add: Additions	1,568	-	-	27	-	1,595
Less: Disposals	-	-	-	-	-	-
Gross carrying amount as at 31 March 2022	3,704	7,983	302	27	-	12,016
Accumulated amortization						
Balance as at 1 April 2021	(1,008)	(222)	(92)	-	-	(1,322)
Amortisation for the year	(536)	(93)	(60)	(3)	-	(692)
Less: Disposals					-	-
Accumulated depreciation as at 31 March 2022	(1,544)	(315)	(152)	(3)	-	(2,014)
Net carrying amount as at 31 March 2022	2,160	7,668	150	24	-	10,002
Gross carrying amount						
Balance as at 1 April 2022	3,704	7,983	302	27	-	12,016
Add: Additions	20	-	-	1,835	91	1,946
Less: Disposals	(324)	-	-	-		(324)
Gross carrying amount as at 31 March 2023	3,400	7,983	302	1,862	91	13,638
Accumulated amortization						
Balance as at 1 April 2022	(1,544)	(315)	(152)	(3)	-	(2,014)
Amortisation for the year	(836)	(93)	(66)	(239)	(19)	(1,253)
Less: Disposals	324		-	-		324
Accumulated depreciation as at 31 March 2023	(2,056)	(408)	(218)	(242)	(19)	(2,943)
Net carrying amount as at 31 March 2023	**1,344**	**7,575**	**84**	**1,620**	**72**	**10,695**

Company as Lessee:

B. Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Current	1,386	583
Non Current	1,342	994
Total	2,728	1,577

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

C. Interest expenses on lease liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	246	210

D. Expenses on short term leases / low value assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases	33	275

E. Amounts recognised in the statement of cash flow

	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	1,039	656

Other Information:

The company has leases mainly for Corporate building, Director building, guest houses, machines, furniture and Office equipments items. These lease contracts provide for payment to increase each year by inflation.

Company as a Lessor:

The company has given buildings on operating lease, Leases are renewed only on mutual consent and at a prevalent market price. Operating lease rent and incidental income recognised in the Statement of Profit and Loss: ₹ 1517 Lakhs (31 March 2022: ₹ 911 Lakhs).[Refer Note no 27]

Details of undiscounted lease payments receivable after the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Receivable not later than 1 year	1,680	1,318
Receivable later than 1 year and not later than 2 years	1,764	1,680
Receivable later than 2 years and not later than 3 years	1,852	1,764
Receivable later than 3 years and not later than 4 years	1,945	1,852
Receivable later than 4 years and not later than 5 years	2,042	1,945
Receivable later than 5 years	-	2,042
Total	**9,283**	**10,601**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 7: INTANGIBLE ASSETS

Particulars	Computer Software	License Fees	Operating Rights	Total
Gross carrying amount as on 1 April 2021	**925**	**633**	**-**	**1,558**
Additions during the year	500	-	-	500
Gross carrying amount as on 31 March 2022	**1,425**	**633**	**-**	**2,058**
Additions during the year	50	28	2,280	2,358
Gross carrying amount as on 31 March 2023	1,475	661	2,280	4,416
Accumulated Amortisation				
Accumulated amortisation as at 1 April 2021	**352**	**440**	**-**	**792**
Amortisation charge for the year	174	82	-	256
Closing accumulated amortisation as at 31 March 2022	**526**	**522**	**-**	**1,048**
Amortisation charge for the year	202	33	56	291
Closing accumulated amortisation as at 31 March 2023	**728**	**555**	**56**	**1,339**
Net Block as at 31 March 2022	**899**	**111**	**-**	**1,010**
Net Block as at 31 March 2023	**747**	**106**	**2,224**	**3,077**

Refer Note 2.3(d) for policy on amortisation

Note 8: INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31 March 2023	As at 31 March 2022
Intangible assets under Development	182	112
Total	182	112

Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90	92	-	-	182

Intangible assets under development	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	112	-	-	-	112

1) Projects temporarily suspended during the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)
2) Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

FINANCIAL ASSETS

Note 9: INVESTMENT

	As at 31 March 2023	As at 31 March 2022
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid up)		
1,70,49,987 (31 March 2022: 1,70,49,987) equity shares of Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 each	80,676	80,676
1,60,000 (31 March 2022: 1,60,000) equity shares of Deepak Nitrochem Pty. Limited (wholly owned subsidiary) of AUD 1 each	55	55
Less: Impairment in the value of investments	(35)	(35)
9,998 (31 March 2022: 9,998) equity shares of Deepak Mining Services Private Limited (wholly owned subsidiary) of ₹ 10 each	1	1
49,993 (31 March 2022:49,993) equity shares of SCM Fertichem Limited (wholly owned subsidiary) of ₹ 10 each	4	4
40,99,994 equity shares of Ishanya Brand Services Limited of ₹ 10 each	411	411
100,000 (31 March 2022: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹10 each	6	-
Deemed investment in Platinum Blasting Services Pty Limited*	130	130
Deemed investment in Performance Chemiserve Limited*	1,733	1,403
Deemed investment in Smartchem Technologies Limited*	1,811	1,657
Investments in equity shares (unquoted) of Associates (fully paid up)		
(31 March 2022: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹10 each***	-	5
Total (equity instruments)	84,792	84,307
Investments measured at Amortised cost		
Investments in debentures (unquoted) of subsidiaries (fully paid up)		
10,000 (31 March 2022: NIL) optionally convertible debentures of Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited (wholly owned subsidiary) of ₹ 10 lakhs each^	1,00,000	-
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
24,50,000 (31 March 2022: 24,50,000) equity shares of Avaada MHBuldhana Private Limited ₹10 each	245	245
Aggregate amount of unquoted investments	1,85,037	84,552
Aggregate amount of impairment in the value of investments	35	35

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

* Deemed Investement is on account of accounting done in books for fair valuation of corporate guarantee issued to banks on behalf of subsidiary and step-down subsidiary companies.

The company has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

** Investment in Deepak International Ltd ₹69 lakhs (31 March 22- ₹69 lakhs) has been fair valued at ₹ Nil

*** During the year the Company has made additional investment in equity shares of Ishnaya Reality Corporation Limited, making it a wholly owned subsidiary.

Refer Note 36(i) for Fair value measurements of financial assets and liabilities and refer Note 36(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

^ During the year Company has converted ICD loan in to Investment in Optionaly Convertible Debentures.

Note 10: CURRENT INVESTMENTS

	Units as on 31 March 2023	As at 31 March 2023	Units as on 31 March 2022	As at 31 March 2022
Unquoted				
Investment in mutual funds (measured at fair value through profit and loss)				
Adiya Birla Sun Life Overnight Fund Growth-Regular Plan	49,827	601	52,71,611	1,200
Tata Overnight Fund-Reg(G)	42,498	500	-	-
UTI Overnight Fund-Reg(G)	9,896	301	-	-
ICICI Prudential Liquid Fund-Reg(G)	2,72,747	902	-	-
Bandhan Liquid Fund-Reg(G)	33,396	902	-	-
Nippon India Liquid Fund-Reg(G)	22,077	1,204	-	-
HDFC Overnight Fund-Regular Plan-Growth	36,360	1,201	-	-
HDFC Liquid Fund-Reg(G)	11,412	500	-	-
Kotak Liquid Fund-Reg(G)	26,650	1,204	-	-
ICICI Prudential Overnight Fund Growth	-	-	20,58,463	603
Kotak Overnight Fund Growth (Regular Plan)	-	-	56,92,590	1,803
SBI Arbitrage Opportunities Fund-Direct Plan(G)	-	-	49,05,237	1,399
Axis Liquid Fund-Regular Growth-CFGPG	48,464	1,204	1,94,407	4,568
SBI Liquid Fund Regular Growth	48,743	1,704	1,13,612	3,761
SBI Liquid Fund Direct Growth	-	-	15,014	500
Nippon India Overnight Fund-Growth Plan (ONAG)	-	-	11,42,652	1,304
Nippon India Direct Growth Plan-Growth Option (AFAG)	-	-	78,97,050	1,803
DSP Liquidity Fund-Regular Plan-Growth	-	-	1,17,925	3,559

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Units as on 31 March 2023	As at 31 March 2023	Units as on 31 March 2022	As at 31 March 2022
DSP Liquidity Fund-Direct Plan-Growth	-	-	65,842	2,004
IDFC Cash Fund-Growth-(Direct Plan)	-	-	58,381	1,501
HSBC Cash Fund-Growth Direct Plan	-	-	42,492	901
HSBC Liquid Fund-Regular Growth	76,545	1,704	23,943	504
UTI Liquid Cash Plan-Regular Plan	-	-	1,01,866	3,531
UTI Liquid Cash Plan-Direct Plan	-	-	17,282	603
Tata Arbitrage Fund-Direct Plan -Growth	-	-	58,70,318	704
Invesco India Liquid Fund-Growth	48,954	1,502	17,110	500
Total		**13,429**		**30,748**
Aggregate carrying value of unquoted investments		**13,429**		**30,748**
Aggregate market value of unquoted investments		**13,429**		**30,748**

Refer Note 36(i) for Fair value measurements of financial assets and liabilities and refer Note 36(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 11: TRADE RECEIVABLES

	31 March 2023	31 March 2022
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	16,103	11,630
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-credit impaired Unsecured	1,196	790
Less: Impairment loss allowance	(1,196)	(790)
Total	**16,103**	**11,630**

Movement in allowance for expected credit loss:

	31 March 2023	31 March 2022
Balance at beginning of the year	790	666
Add: Allowance for expected credit loss	406	124
Less: Reversed / utilized during the year	-	-
Balance as at the end of the year	**1,196**	**790**

Refer Note 36(i) for Fair value measurements of financial assets and liabilities and refer Note 36(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 37(i) on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 39(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

The Company's exposure to customers is diversified and except 2 customers contributes 28.64% , no other customers,contributes more than 10% of the outstanding receivables as at 31 March 2023 and 31 March 2022.

Trade receivables ageing schedule

Particulars		Outstanding for following periods from due date of payment as on 31 March 2023					
		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	15,694	400	8	1	-	16,103
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	57	67	273	294	505	1,196
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance		(57)	(67)	(273)	(294)	(505)	(1,196)
Total		**15,694**	**400**	**8**	**1**	**-**	**16,103**

Trade receivables ageing schedule

Particulars		Outstanding for following periods from due date of payment as on 31 March 2022					
		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	11,387	15	227	1	-	11,630
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	26	6	178	22	559	790
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance		(26)	(6)	(178)	(22)	(559)	(790)
Total		**11,387**	**15**	**227**	**1**	**-**	**11,630**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 12: LOANS

Unsecured, considered good	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Loans to subsidiaries (Refer Note 41)	13,753	-	4,077	92,429
Advances to employees	46	-	40	-
Other loans	3	-	3	-
Unsecured, considered doubtful				
Other loans	205	-	205	-
Less: Provision for doubtful loans	(205)	-	(205)	-
Total	**13,802**	**-**	**4,120**	**92,429**

Refer Note 36(i) for Fair value measurements of financial assets and liabilities and refer Note 36(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

1. Disclosures of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without any terms or period of repayment:

Unsecured, considered good		As at 31 March 2023		As at 31 March 2022	
	Terms of Loans	Amount of loan outstanding	Percentage to the total loans	Amount of loan outstanding	Percentage to the total loans
Related Parties (wholly owned subsidiaries)	Repayable on demand	29	0.21%	77	0.08%

2. The Company has provided loans to its wholly owned subsidiary for further investment in its step down subsidiary.

Intermediary name	Date and amount of fund loaned for further investment		Ultimate Beneficiary	Date and amount of fund further loaned	
	Date	Amount		Date	Amount
Mahadhan AgriTech Limited (formerly known as Smartchem Technologies Limited), wholly owned subsidiary	N.A.	N.A	Performance Chemiserve Limited, step down subsidiary	09.11.2021	12,500

The Company has complied the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money Laundering Act, 2002 (15 of 2003).

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 13: CASH & CASH EQUIVALENTS

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	2,499	3,229
Cash on hand	-	1
Total	**2,499**	**3,230**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 14: OTHER BANK BALANCES

	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks		
Unclaimed dividend	817	747
Deposits with remaining maturity upto 12 months from the reporting date	495	229
Total	**1,312**	**976**

Note 15: OTHER FINANCIAL ASSETS

	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
a. Derivative assets				
(i) Foreign-exchange option contracts	-	-	5	-
(ii) Commodity hedge contracts	-	-	2,444	-
b. Interest receivable				
(i) From bank	27	-	4	-
(ii) From others	1,668	-	72	-
c. Security deposits	-	3,482	-	2,749
d. Bank deposits with more than 12 months maturity	-	675	-	110
e. Amount paid under protest for claims from supplier*	-	1,507	-	1,507
f. Incentive receivable from Government of Gujarat	2,262		1,144	
g. Others	451	-	1,148	-
Total	**4,408**	**5,664**	**4,817**	**4,366**

Refer Note 36(i) for Fair value measurements of financial assets and liabilities and refer Note 36(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Refer Note 39(b) for Security deposits and Interest receivable on loans to related parties

*Included in supplier claim (refer note 40)

Note 16: OTHER NON-CURRENT ASSETS

	As at 31 March 2023	As at 31 March 2022
Capital advances	2,756	4,237
Balance with government authorities	5,633	5,532
Prepaid Expenses	172	63
Total	**8,561**	**9,832**

Note 17: INVENTORIES

	As at 31 March 2023	As at 31 March 2022
Raw materials ((includes ₹ 79 Lakhs in transit) (31 March 2022 ₹ 327 Lakhs)	2,308	5,098
Finished goods	4,613	1,411
Stock-in-trade ((includes ₹ Nil in transit) (31 March 2022 ₹ 731 Lakhs)	514	1,511
Stores and spares	6,521	4,522
Packing material	57	32
Total	**14,013**	**12,574**

The cost of inventories recognised as an expense includes ₹ 551 Lakhs (31 March 2022: ₹ 128 Lakhs) in respect of write-down of inventories to net realisable value.

Refer note 2.3(k) for policy on Valuation of Inventories.

Note 18: OTHER CURRENT ASSETS

	As at 31 March 2023	As at 31 March 2022
Advances for supply of goods and services	810	2,502
Balances with government authorities (includes GST, Custom duty etc)	905	998
Prepaid expenses	627	519
Other receivables	87	37
Total	**2,429**	**4,056**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 19: SHARE CAPITAL

	As at 31 March 2023	As at 31 March 2022
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	13,505
(31 March 2022: 13,50,50,000 equity shares of ₹ 10/- each)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
12,62,37,825 equity shares of ₹ 10/- each.	12,624	12,059
(31 March 2022: 12,05,92,948 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**12,624**	**12,059**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

	As at 31 March 2023		As at 31 March 2022	
Equity Shares	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning and at the end of the year	12,05,92,948	12,059	10,26,77,088	10,268
Add: Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	-	-	1,24,39,029	1,244
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	56,44,877	565	54,76,831	547
	12,62,37,825	**12,624**	**12,05,92,948**	**12,059**

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the numbers of equity shares held by the shareholder.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

ii. Details of shareholders holding more than 5% shares in the company

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% Holding	Number of shares	% Holding
Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	36.15%
Robust Marketing Services Private Limited	1,08,52,301	8.60%	1,08,52,301	9.00%

	As on 31 March 2023		As on 31 March 2022		% of Change during the year
Shares held bypromoters Promoter Name	**No. of Shares**	**% of Total Shares**	**No. of Shares**	**% of Total Shares**	
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	8,78,913	0.70%	8,78,913	0.73%	-0.03%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S. Mehta	1,15,000	0.09%	1,15,000	0.10%	0.00%
5) Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	36.15%	-1.62%
6) Sofotel Infra Private Limited	19,41,546	1.54%	19,41,546	1.61%	-0.07%
7) Robust Marketing Services Private Limited	1,08,52,301	8.60%	1,08,52,301	9.00%	-0.40%

Note 20: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

Nature and purpose of other equity

(a) Securities premium: Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

(b) Capital redemption reserve: The Company had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) General reserve: This represents appropriation of profits by the Company to General Reserve and is available for distribution of dividend.

(d) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

FINANCIAL LIABILITIES

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2023	As at 31 March 2022
Secured-at amortised cost				
Term loans from banks				
(i) Bank of Baroda	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.15% to 9.40% per annum	13,606	16,454
(ii) Export Import Bank Of India	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.85% to 9.35% per annum	15,654	18,913
(iii) Bank of Baroda	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	4,585	10,620
Unsecured				
Term loans from Others				
(i) Foreign currency convertible bonds issued to International Finance Corporation (IFC), USA		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per anum and Compound Interest : Upto March 12, 2021 : 1.75% compound interest per anum From March 13, 2021 onwards : 2.25% compound interest per annum	-	9,479
Total non-current borrowings			33,845	55,466
Less: Current maturities of long-term debt (reference in note 21)			10,774	12,312
Total			**23,071**	**43,154**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

a) The term loan (i) and (ii) has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

b) The term loan (iii) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

c) The Company has used the borrowings taken from banks and financial institution for the specific purposes for which they were taken as at the balance sheet date.

d) The Company has registered all the required charges with Registrar of Companies within the statutory period.

Note 21: CURRENT BORROWINGS

	As at 31 March 2023	As at 31 March 2022
From banks		
Secured		
-Current maturities of non-current borrowings	10,774	12,312
Total	**10,774**	**12,312**

Changes in fnancial liabilities arising from financing qctivity qs required by Ind As 7 "Statement of Cash Flows"

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current borrowings (refer note 21)	23,071	43,154
Current borrowings (refer note 21)	10,774	12,312
Interest accrued (refer note 22)	-	487
Non-current Lease liabilities (refer note 6)	1,342	994
Current Lease liabilities (refer note 6)	1,386	583
	36,573	**57,530**
Cash and Non-cash adjustments		
Foreign currency translation differences	-	327
Conversion of Foreign Currency Conversion Bonds to Equity Share Capital and Securities Premium	(9,504)	(9,394)
Proceeds from non-current borrowings	-	-
Repayment of non-curerent borrowings	(12,117)	(11,810)
Repayment of Book Overdraft	-	(151)
Reduction/ Increase in interest accrued	(487)	(128)
Interest on lease liabilities	246	210
Addition on account on new leases	1,944	546
Lease payments	(1,039)	(656)
Movement of borrowings (net)	**(20,957)**	**(21,056)**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

The Company has filed the quarterly statements of current assets with banks which are in agreement with the books of account.

Note 22: OTHER FINANCIAL LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Non-current		
Embedded derivative	-	17
Financial guarantee	1,533	1,648
Total	**1,533**	**1,665**
Current		
Interest accrued	-	487
Security deposits	649	641
Capital creditors	1,078	809
Commission payable (refer Note 39)	205	142
Foreign Currency Options	1	-
Financial guarantee	274	539
Salary payables	3,108	3,358
Unclaimed dividend (#)	817	747
Total	**6,132**	**6,723**

(#) ₹ 74 Lakhs (31 March 2022 ₹ 119 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company except for ₹ 0.37 Lakhs (31 March 2022 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 23: PROVISIONS

	As at 31 March 2023		As at 31 March 2022	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	493	1,740	478	1,858
Compensated absences	288	730	385	903
Defined pension benefits	181	116	172	143
Total (A)	**962**	**2,586**	**1,035**	**2,904**
Provisions for tax contingencies#	3,542	-	3,460	-
Provision for site restoration*	-	125	-	517
Total (B)	**3,542**	**125**	**3,460**	**517**
Total (A+B)	**4,504**	**2,711**	**4,495**	**3,421**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Movement in Provisions

	Tax contingencies#	Site restoration*	Compensated absences
As at 1 April 2021	**5,744**	**472**	**1,191**
Additional provisions recognised	-	45	97
Excess amounts reversed/utilised	(2,284)	-	-
As at 31 March 2022	**3,460**	**517**	**1,288**
Additional provisions recognised	-	-	-
Excess amounts reversed/utilised	82	(392)	(270)
As at 31 March 2023	**3,542**	**125**	**1,018**

The provision is mainly on account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

(A) Defined Contribution Plans (refer Note 32)

Particulars	As at 31 March 2023	As at 31 March 2022
Employer's contribution to provident fund	242	238
Employer's contribution to employee's pension scheme	65	66
Employer's contribution to superannuation fund	183	183
Employer's contribution to employee state insurance	1	1
Total	**490**	**488**

(B) Defined Benefit Plans

i. Gratuity

The Company operates gratuity plan (funded) wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.90% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2022: 60 years), withdrawal rate is 10% p.a. (31 March 2022: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2022: IALM (2012-14)).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2022: 8% p.a), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.90% p.a. (31 March 2022: 6.60% p.a).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	6,256	5,890
Current service cost	394	406
Interest cost	415	373
Actuarial loss	(5)	59
Benefits paid	(468)	(472)
Present value of obligation at the end of the year	6,592	6,256

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	6,592	6,256
Fair value of plan assets at the end of the year	4,359	3,920
Net (asset)/liabilities recognised in the Balance Sheet	2,233	2,336

Fair value of Plan assets :

Particulars	As at 31 March 2023	As at 31 March 2022
Plan assets at the beginning of the year	3,920	4,001
Expected return on plan assets	276	251
Contribution by employer	478	439
Actual benfits paid	(323)	(818)
Acturial gain/(loss)	8	47
Plan assets at the end of the year	4,359	3,920

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	394	406
Interest cost	140	122
Expense recognised in the Statement of Profit and Loss	534	528

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements Cost / (Credit)	(5)	59
Actuarial (gain)/loss on plan assets	(8)	(47)
Amount recognised in the Other Comprehensive Income	(13)	12

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	As at 31 March 2023	As at 31 March 2022
Experience Loss on plan liabilities	137	138
Demographic Loss on plan liabilities	(24)	-
Financial (Gain)/ Loss on plan liabilities	(119)	(79)
Experience (Gain) / Loss on plan assets	4	(39)
Financial (Gain) / Loss on plan assets	(12)	(8)

Categories of the fair value of total plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Funds managed by insurer	4,359	3,920
(%) of total plan assets	100%	100%

Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	**Discount rate**		**Discount rate**	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(222)	243	(248)	273

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	**Future salary increase**		**Future salary increase**	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	191	(178)	221	(204)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Maturity profile of defined benefit obligation is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 months (next annual reporting period)	2,399	1,884
Later than 1 year and not later than 5 years	3,362	3,208
Later than 5 year and not later than 9 years	3,812	3,824
Total	**9,572**	**8,916**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.53 years (31 March 2022: 8.22 years)

Expected contribution for next year:

The company intends to contribute ₹ 493 lakhs in 2023 (₹ 478 lakhs in 2022).

RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainities in estimating this increasing risk.

2. Asset Risks

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz; LIC of India. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

ii. Defined pension benefits

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of year. The liability is provided for on the basis of an independent acturial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.90% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2022: 60 years), withdrawal rate is 8% p.a. (31 March 2022: 8% p.a.) and mortality table is as per IALM (2012-14) (31 March 2022: IALM (2012-14)).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	315	322
Current service cost	41	43
Past service cost	-	-
Interest cost	21	20
Actuarial (gain)/ loss	(55)	(45)
Benefits paid	(25)	(25)
Present value of obligation at the end of the year	297	315

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	41	43
Past service cost	-	-
Interest cost	21	20
Expense recognised in the Statement of Profit and Loss	62	63

Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31 March 2022
Actuarial (gain)/ loss on plan assets	(55)	(45)
Amount recognised in the Other Comprehensive Income	(55)	(45)

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(67)	91	(73)	101

Note 24: TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
(a) total outstanding dues of micro and small enterprises	1,676	1,945
(b) total outstanding dues of creditors other than micro and small enterprises#	25,221	24,608
Total	**26,897**	**26,553**

Includes payable to related party ₹ 6 Lakhs (31 March 2022: ₹ NIL)

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,676	1,945
- Principal amount outstanding (whether due or not) to micro and small enterprises	1,420	1,778
- Interest due thereon	3	1
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	5,166	13,366
Amount of interest due and payable on delayed payments	86	88
Amount of interest accrued and remaining unpaid as at year end	256	167
The amount of further interest remaining due and payable even in the succeeding year	-	-

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company requested its suppliers to confirm whether they are Micro, Small or Medium enterprise as defined in the said MSMED Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the MSMED Act, from the date of receipt of such confirmations.

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Trade Payables aging schedule

Particulars	As on 31 March 2023-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	1,388	131	82	75	1,676
(ii) Others	18,615	203	68	336	19,222
(iii) Disputed dues – MSME					-
(iv) Disputed dues-Others	-	-	-	-	-
(v) Unbilled dues	-	-	-		5,999
Total	**20,003**	**334**	**150**	**411**	**26,897**

Particulars	As on 31 March 2023-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	1,739	133	46	27	1,945
(ii) Others	15,245	-	170	655	16,070
(iii) Disputed dues – MSME					-
(iv) Disputed dues-Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	8,538
Total	**16,984**	**133**	**216**	**682**	**26,553**

Note 25: DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Deferred tax assets	(1,304)	(2,004)
(b) Deferred tax liabilities	4,978	4,977
Net deferred tax liabilities	**3,674**	**2,973**

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Movements in deferred tax liabilities:

Movements during the year ended 31 March 2023:

	1 April 2022	Charge/(credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) in the Other Comprehensive Income	As at 31 March 2023
Property, plant and equipment, investment property and intangibles assets	4,200	573	-	-	4,773
Business loss	-	-	-	-	-
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,378)	74	-	-	(1,304)
Foreign Currency Convertible Bonds	435	(435)		-	-
Impairment Provision	(375)	375	-	-	-
Financial assets at fair value through OCI	342	-	-	(342)	-
Others	(251)	438	-	18	205
Net deferred tax liabilities	**2,973**	**1,025**	**-**	**(324)**	**3,674**

Movements during the year ended 31 March 2022:

	1 April 2021	Charge/(credit) in the statement of Profit and Loss	Credit/ (Charge) in equity	Charge/(credit) in the Other Comprehensive Income	31 March 2022
Property, plant and equipment, investment property and intangibles assets	3,874	326	-	-	4,200
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	(1,216)	(162)	-	-	(1,378)
Foreign Currency Convertible Bonds	876	(49)	(392)	-	435
Impairment Provision	(255)	(120)	-	-	(375)
Financial assets at fair value through OCI	125	-	-	217	342
Others	(361)	142	(40)	8	(251)
Net deferred tax liabilities	**3,043**	**137**	**(432)**	**225**	**2,973**

Note 26: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Advances from customers	750	1,555
Statutory dues payable	2,382	1,310
Other payables	134	132
Total	**3,266**	**2,997**

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 27: REVENUE FROM OPERTATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Finished goods	2,06,344	1,73,944
Traded goods	23,009	52,546
Power generated from windmills	930	366
Revenue from realty business	1,517	911
Other operating revenues		
Incentive income*	3,123	1,144
Others	59	33
Total	**2,34,982**	**2,28,944**

* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant

Contracts with customer

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised from contracts with customers	2,34,982	2,28,944
Disaggregation of revenue		
Based on type of goods		
- Sale of industrial chemicals	2,06,344	1,73,945
- Sale of traded products		
(i) Industrial chemicals	22,483	52,160
(ii) Value added real estate (VARE)-Sale of furniture	526	386
- Revenue from power generated from windmills	930	366
- Revenue from realty operation	1,517	911
- Other operating revenues	3,182	1,177
Cummulative Impairment losses recognised on receivables arising from an entity's contracts with customers	1,196	790

Details of contract balances:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of receivables	11,630	24,616
Closing balance of receivables	16,103	11,630

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract liabilities at the beginning of the year	1,555	392
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,555	392
Increase due to cash received, excluding amounts recognised as revenue during the year	750	1,555
Contract liabilities at the end of the year	750	1,555

There is no significant change in the contract asset and contract liabilities.

Performance obligations

"The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customer. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days. The Company is obliged to give refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that have an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract price	2,44,286	2,33,995
Less: Amount recognised as Discounts / shortages	9,304	5,051
Revenue recognised in the statement of profit and loss	**2,34,982**	**2,28,944**

Cost to obtain a contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 28: OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from financial assets measured at amortized cost	9,437	6,131
Interest on income tax refund	1,292	894
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	29	221
Net gain on sale of investments	741	321
Gain on sale of land and property, plant and equipment	10	-
Unwinding of disount on security deposits	174	342
Foreign exchange fluctuation gain (net)	50	-
Corporate guarantee income	864	372
Other non-operating income	807	536
Total	**13,404**	**8,817**

Note 29: COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials as at the beginning of the year	5,098	2,087
Add: Purchases during the year	1,54,707	1,25,346
Less: Raw material as at the end of the year	2,308	5,098
Total	**1,57,497**	**1,22,335**

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 30: PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	20,146	45,783
Total	**20,146**	**45,783**

Note 31: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance		
Finished goods	1,411	1,397
Stock-in-trade	1,511	4,429
Total opening balance	**2,922**	**5,826**
Closing balance		
Finished goods	4,613	1,411
Stock-in-trade	514	1,511
Total closing balance	**5,127**	**2,922**
Total	**(2,205)**	**2,904**

Note 32: EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus *	5,990	7,030
Contribution to provident fund & other funds	490	488
Gratuity (refer note 23)	534	528
Post-employment pension benefits (refer note 23)	62	63
Staff welfare expenses	330	310
Total	**7,406**	**8,419**

(*) Net of recharges of ₹ 9,231 Lakhs (31 March 2022 : ₹ 9,974 Lakhs) to subsidiary company-Mahadhan AgriTech Limited (Previously known as Smartchem Technologies Limited.)

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 33: FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on financial liabilities measured at amortized cost	4,356	6,097
Finance charges on finance leases	246	210
Increases in the decommissioning liabilities	-	45
Interest others	40	49
Other borrowing costs	435	317
Exchange differences regarded as an adjustment to borrowing costs	35	188
Total	**5,112**	**6,906**

Note 34: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment*	5,149	7,069
Amortisation of right of use assets	1,253	692
Amortisation on intangible assets	291	256
Total	**6,693**	**8,017**

* Net of recharges of ₹1,600 lakhs (31 March 2022 : ₹1,268 Lakhs) to subsidiary company-Mahadhan AgriTech Limited(Previously known as Smartchem Technologies Limited.)

Note 35: OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	3,127	3,649
Power, fuel and water*	1,706	3,284
Repairs to :		
- Building	163	224
- Plant and machinery	2,241	2,275
- Others	874	548
Rent	33	275
Insurance	811	774
Rates, taxes and duties	610	822
Travelling and conveyance	238	116
Legal and professional fees	1,091	1,592
Payments to auditors (note 35(a) below)	45	34
Directors' fees	65	66

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carriage outward (net)	472	573
Warehouse and handling charges	528	601
Loss on disposal of property, plant and equipment	-	18
Commission on sales	111	74
Sales and promotion expenses	331	213
Donations	11	28
Utility services	300	225
Communication expenses	29	48
Corporate social responsibility expenditure (note 35(b) below)	329	138
Foreign exchange fluctuations loss (net)	-	139
Bad debts written off	53	-
Provision for doubtful debts	406	123
Provision for doubtful loans, advances and other receivable (including write off)	-	13
Miscellaneous expenses@	1,149	925
Total	**14,723**	**16,777**

Other expenses are net of recharges of ₹ 4,899 Lakhs (31 March 2022 : ₹ 4,982 Lakhs) to subsidiary company-Mahadhan AgriTech Limited (Previously known as Smartchem Technologies Limited.)

* MSEB electricity duty provision taken for ₹ 175 Lakhs (31 March 2022 :₹ 1,309 for the period April 2015 to March 2022). The same has been reduced from contingent liability.

@ Miscellaneous expenses include Provision for impairment of capital work in progress amounting to ₹ Nil (31 March 2022 : ₹ 477 Lakhs)

Note 35(a): DETAILS OF PAYMENTS TO AUDITORS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to auditors		
As auditor:		
Audit fee	38	33
Certification fees in the capacity of statutory auditors*	2	9
In other capacities		
Tax Audit	4	-
Re-imbursement of expenses	2	1
Total	**45**	**42**
Less: Charge to securities premium account	-	(8)
Total	**45**	**34**

*31st March 22-Includes certification fee with regards to Qualified Institutional Placements adjusted with securities premium.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 35(b): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contributions to Ishanya Foundation	153	133
Others	75	5
Total	**228**	**138**
Amount required to be spent as per Section 135 of the Act		
(a) amount required to be spent by the company during the year	329	165
(b) amount of expenditure incurred	228	138
(c) shortfall/(excess) at the end of the year	101	27
(d) total of previous years shortfall/(excess)	-	(35)
(e) reason for shortfall	Ongoing Project	Excess of PY expenditure utilised in CY
(f) nature of CSR activities	Women empowerment, health and education	Women empowerment, health and education
(g) details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Contribution to Ishanya foundation	Contribution to Ishanya foundation
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Note 35(c): EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders (₹ in Lakhs) for basic EPS	29,134	19,778
Add: Adjustment for interest on Foreign currency convertible bonds post tax	-	820
Net profit after tax attributable to equity shareholders (₹ in lakhs) for diluted EPS	29,134	20,598

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	12,38,56,151	11,22,26,183
Add: Adjustment for Foreign currency convertible bonds	-	56,19,423
Weighted average number of equity shares for diluted EPS	12,38,56,151	11,78,45,606
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	23.52	17.62
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	23.52	17.48

Note 36: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	As at 31 March 2023			As at 31 March 2022		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in subsidiaries and associates*	-	245	-	-	245	-
- Mutual funds	13,429	-	-	30,748	-	-
- Optionally convertible debentures in subsidiary	-	-	1,00,000	-	-	-
Trade receivables	-	-	16,103	-	-	11,630
Cash and cash equivalents	-	-	2,499	-	-	3,230
Other bank balances	-	-	1,312	-	-	976
Loans	-	-	13,802	-	-	96,549
Other financial assets	-	-				
- Derivative financial asset, not designated as hedges	-	-	-	5	-	-
- Derivative financial asset, designated as hedges	-	-	-	-	2,444	-
- Others	-	-	10,072	-	-	6,734
Total financial assets	**13,429**	**245**	**1,43,788**	**30,753**	**2,689**	**1,19,119**

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	As at 31 March 2023			As at 31 March 2022		
	Fair value through Profit & Loss	Fair value through OCI	Amortised cost	Fair value through Profit & Loss	Fair value through OCI	Amortised cost
Financial liabilities						
Borrowings	-	-	33,845	-	-	55,466
Lease Liabilities			2,728			1,577
Trade payables	-	-	26,897	-	-	26,553
Other financial liabilities	-	-	-			
- Capital creditors	-	-	1,078	-	-	809
- Security deposits	-	-	649	-	-	641
- Interest accrued	-	-	-	-	-	487
- Embedded derivative	-	-	-	17		
- Others (excluding Financial guarantee liability**)	1	-	4,130	-	-	4,247
Total financial liabilities	**1**	**-**	**69,327**	**17**	**-**	**89,780**

*Investment in Subsidiaries and Associates are shown at Cost in balance sheet as per Ind AS 27 : Separate Financial Statements

**Financial guarantee liability is subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) : The different levels have been defined as follows:

Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2-Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3-Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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(All amounts in ₹ Lakhs unless otherwise stated)

Financial assets and liabilities measured at fair value	As at 31 March 2023				As at 31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Mutual funds	13,429	-	-	13,429	30,748	-	-	30,748
Financial Investments at FVOCI								
Equity instruments	-	-	245	245	-	-	245	245
Derivatives								
Foreign exchange forward contracts/ options	-	-	-	-	-	5	-	5
Commodity Hedge contract	-	-	-	-	-	2,444	-	2,444
Embedded derivative	-	-	-	-	-	-	-	-
Total financial assets	**13,429**	**-**	**245**	**13,674**	**30,748**	**2,449**	**245**	**33,442**
Financial liabilities								
Derivatives								
Embedded derivative	-	-	-	-	-	17	-	17
Foreign currecy options	-	1	-	1	-	-	-	-
Total financial liabilities	**-**	**1**	**-**	**1**	**-**	**17**	**-**	**17**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 2022.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investment measured at fair value and falling under fair value hierarchy Level 3 pertains to investment in equity shares of Avaada MHBudhana Private Limited which is regulated by the terms stated in the share purchase agreement. These shares held by the Company are subject to specific limitations regarding the Company's ability to sell them and the permissible valuation at which they can be sold. Given the nature of these restrictions and the management's overall intention concerning the equity shares, the fair value attributed to such shares by the Company is equivalent to their original cost.

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c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.

d) The Company enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

Note 37: FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

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(All amounts in ₹ Lakhs unless otherwise stated)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, considers the credit risk for trade receivables to be low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is ₹ 367 Lakhs (31 March 2022: ₹ 243 Lakhs).

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2023	31 March 2022
Balance at the beginning of the year	790	666
Add: Provided during the year (net of reversal)	406	124
Less: Amount written off	-	-
Balance at the end of the year	1,196	790

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed periodically by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

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(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	33,845	10,774	23,071	-	33,845
Lease Liabilities	2,728	1,386	1,336	6	2,728
Trade payables	26,897	26,897	-	-	26,897
Other financial liabilities	7,664	6,131	1,128	405	7,664
Total non-derivative liabilities	**71,134**	**45,188**	**25,535**	**411**	**71,134**
Derivatives financial liabilities					
Foreign Currency Options	1	1	-	-	1
Total derivative liabilities	**1**	**1**	**-**	**-**	**1**

31 March 2022	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	55,466	12,312	29,108	14,046	55,466
Lease Liabilities	1,577	583	990	4	1,577
Trade payables	26,553	20,877	-	-	20,877
Other financial liabilities	8,371	6,723	1,648	-	8,371
Total non-derivative liabilities	**91,967**	**40,495**	**31,746**	**14,050**	**86,291**
Derivatives financial liabilities	**17**	**-**	**17**	**-**	**17**
Total derivative liabilities	**17**	**-**	**17**	**-**	**17**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, AED and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

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(All amounts in ₹ Lakhs unless otherwise stated)

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note no 42.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Particulars	Impact on profit after tax	
	31 March 2023	31 March 2022
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2022-1%)	(20)	(116)
₹/USD -depreciated by 1% (31 March 2022-1%)	20	116

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

(i) Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31 March 2023	31 March 2022
Variable rate borrowings	33,845	55,466
Fixed rate borrowings	-	-
Total borrowings	33,845	55,466

The Company has not obtained Interest Rate Swaps (IRS) for variable rate borrowings.

(ii) Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2023 before tax would decrease / increase by ₹ 169 lakhs (for the year ended 31 March 2022: decrease / increase by ₹ 277 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 38. CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total equity (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2023	31 March 2022
Net debt	30,034	51,260
Total equity	2,99,487	2,72,667
Net debt to equity ratio	**0.10**	**0.19**

(b) Dividends

Particulars		31 March 2023	31 March 2022
(i)	Final dividend for the year ended 31 March 2022 of ₹ 9 per fully paid equity share (31 March 2021 of ₹ 9 per fully paid equity share)	10,853	8,112
(ii)	Dividend not recognised at the end of the reporting period		
	Since year end the directors have recommended the payment of a final dividend of ₹ 10.00 per fully paid equity share (31 March 2022 : ₹ 9 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	12,624	10,853

Disclosure of Related Party Transactions as per Ind AS 24

Note 39(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS WITH WHOM TRANSACTIONS TOOK PLACE

A	Subsidiaries	E	Key management personnel
	Direct	(a)	**Executive directors**
1	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	1	Mr. Sailesh Chimanlal Mehta
2	SCM Fertichem Limited		

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(All amounts in ₹ Lakhs unless otherwise stated)

3	Ishanya Brand Services Limited	**(b)**	**Non-executive directors**
4	Deepak Mining Services Private Limited (DMSPL)	1	Mrs. Parul Sailesh Mehta
5	Deepak Nitrochem Pty Limited	2	Mr. Madhumilan Parshuram Shinde
6	Ishanya Realty Corporation Limited (Associate upto September 2022)		
		(c)	**Non-executive Independent directors**
	Indirect	1	Mr. Partha Sarathi Bhattacharyya
1	Performance Chemiserve Limited	2	Mr. Bhuwan C Tripathi
2	Australian Mining Explosives Pty Ltd (Subsidiary of PBS)	3	Mr. Sujal Shah
3	Platinum Blasting Services Pty Limited [PBS] (Subsidiary of STL)	4	Ms. Varsha Vasant Purandare
4	Mahadhan Farm Technologies Private Limited (Subsidiary of STL)	5	Mr. Jayesh Shah
		6	Mr. Sanjay Gupta (w.e.f 2nd February 2023)
		7	Mr. Sitaram Kunte (w.e.f 2nd February 2023)
		8	Mr. Terje Bakken (w.e.f 2nd February 2023)
		9	Mr. Berjis Desai (upto 27th Decemeber 2021)
		10	Mr. Ashok Purwaha (up to 06th July 2022)
		11	Mr. Alok Perti (up to 21st April 2022)
		12	Dr. Amit Biswas (up to 21st April 2022)
B	**Jointly Controlled Entity**		
1	Yerrowda Investments Limited	**(d)**	**Chief Finance Officer**
			Mr. Amitabh Bhargava
C	**Entities over which key managerial personnel are able to exercise significant influence:**		
1	Robust Marketing Services Private Limited	**(e)**	**Company Secretary**
2	Nova Synthetic Limited		Mr. Ritesh Chaudhry (upto 31st March 2023)
3	The Lakaki Works Pvt.Ltd.		
4	High Tide Investments Pvt.Ltd.		
5	Deepak Asset Reconstruction Pvt.Ltd.	**(f)**	**Relatives of key management personnel**
6	Ishanya Foundation	1	Mr. Yeshil Mehta
7	Deepak Foundation	2	Ms. Rajvee Mehta
8	M/s. Juris Corp, Advocates and Solicitors	3	Mr. C. K. Mehta
9	Blueplanet Consultancy & Advisory (OPC) Private Limited	4	Mr. Ajay Chimanlal Mehta
10	Peerless General Finance and Investment Company Ltd	5	Mr. Deepak Chimanlal Mehta
D	**Entities over which relatives of key managerial personnel are able to exercise significant influence:**		
1	Deepak Nitrite Limited		
2	Deepak Phenolics Limited		
3	Sofotel Infra Private Ltd		
4	Blue Shell Investments Pvt.Ltd.		
5	Storewell Credits And Capital Pvt.Ltd.		

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 39 (b) RELATED PARTY TRANSACTION

Sr. No.	Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total
1	**Sale of goods**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	95,580	-	-	-	-	-	95,580	75,502	-	-	-	-	-	75,502
	Deepak Nitrite Limited	-	-	-	-	-	16,977	16,977	-	-	-	-	-	12,456	12,456
	Ishanya Brand Services Limited	522	-	-	-	-	-	522	354	-	-	-	-	-	354
	Ishanya Foundation	-	-	-	-	-	-	-	-	-	-	-	5	-	5
2	**Rendering of services/ reimbursement of expenses**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	14,743	-	-	-	-	-	14,743	16,181	-	-	-	-	-	16,181
	Performance Chemiserve Limited	905	-	-	-	-	-	905	448	-	-	-	-	-	448
	SCM Fertichem Limited	2	-	-	-	-	-	2	1	-	-	-	-	-	1
	Ishanya Foundation	-	-	-	-	7	-	7	-	-	-	-	4	-	4
	Deepak Mining Services Private Limited	0	-	-	-	-	-	0	-	-	-	-	-	-	-
	Yerrowada Investments Limited	-	29	-	-	-	-	29		4	-	-	-	-	4
	Ishanya Brand Services Limited	0	-	-	-	-	-	0	92	-	-	-	-	-	92
	Ishanya Realty Corporation Limited	0	-	-	-	-	-	0	-	-	-	-	-	-	-
	Deepak Agro Solutions Limited	-	-	-	-	-	-	-	-	-	-	-	3	-	-
	Mahadhan Farm Technologies Private Limited	0	-	-	-	-	-	0	-	-	-	-	-	-	-
	Robust Marketing Services Private Limited	-	-	-	-	0	-	0	-	-	-	-	-	-	-
3	**Interest on loan given**														
	Deepak Mining Services Private Limited	2	-	-	-	-	-	2	2	-	-	-	-	-	2
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	9,095	-	-	-	-	-	9,095	6,012	-	-	-	-	-	6,012
	SCM Fertichem Limited	3	-	-	-	-	-	3	5	-	-	-	-	-	5
4	**Investment [Optionaly Convertible Debentures]**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	1,00,000	-	-	-	-	-	1,00,000	-	-	-	-	-	-	-

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 39 (b) RELATED PARTY TRANSACTION

Sr. No.	Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total
5	**Purchase of goods and services**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	(26,200)	-	-	-	-	-	(26,200)	(19,714)						(19,714)
	Ishanya Foundation	-	-	-	-	(4)	-	(4)	-	-	-	-	(2)	-	(2)
	Deepak Nitrite Limited	-	-	-	-	-	-	-	-	-	-	-	-	(123.00)	(123)
6	**Receiving of services/ reimbursement of expenses**														
	Performance Chemiserve Limited	(448)	-	-	-	-	-	(448)	(469)	-	-	-	-	-	(469)
	Mr. Madhumilan Parshuram Shinde	-	-	(25)	-	-	-	(25)	-	-	(24)	-	-	-	(24)
	T K Chatterjee	-	-	(12)	-	-	-	(12)	-	-	-	-	-	-	-
	Deepak Foundation	-	-	-	-	(2)	-	(2)	-	-	-	-	-	-	-
7	**Legal expenses**														
	M/s. Juris Corp, Advocates and Solicitors	-	-	-	-	(31)	-	(31)	-	-	-	-	(3)	-	(3)
8	**Donation given**														
	Ishanya Foundation	-	-	-	-	(153)	-	(153)	-	-	-	-	(133)	-	(133)
9	**Purchase of Equity shares (Investment)**														
	Ishanya Realty Corporation Limited	(1)	-	-	-	-	-	(1)	-	-	-	-	-	-	-
10	**Remuneration & commission (including perquisites)***														
	Mr Sailesh Mehta	-	-	(699)	-	-	-	(699)	-	-	(557)	-	-	-	(557)
	Mr Amitabh Bhargava	-	-	(475)	-	-	-	(475)	-	-	**(655)	-	-	-	-
	Mr Ritesh Choudhary	-	-	(97)	-	-	-	(97)	-	-	(60)	-	-	-	(60)
	Ms. Rajvee Mehta	-	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)
	Other Directors	-	-	(204)	-	-	-	(204)	-	-	(142)	-	-	-	(142)
11	**Lease rental income**														
	Deepak Nitrite Limited	-	-	-	-	-	44	44	-	-	-	-	-	14	14
	Ishanya Brand Services Ltd	149	-	-	-	-	-	149	-	-	-	-	-	-	-

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 39 (b) RELATED PARTY TRANSACTION

Sr. No.	Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total
12	**Lease rental expenses**														
	Mr Sailesh Mehta	-	-	(50)	-	-	-	(50)	-	-	(17.00)	-	-	-	(17)
	Robust Marketing Services Private Limited	-	-	-	-	(50)	-	(50)	-	-	-	-	(48)	-	(48)
13	**Loan or Advances Repaid**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	20,205	-	-	-	-	-	20,205	5,000	-	-	-	-	-	5,000
14	**Loan or Advances Given**														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))**	(37,500)	-	-	-	-	-	(37,500)	(52,878)	-	-	-	-	-	(52,878)
	Deepak Mining Services Private Limited	(2)	-	-	-	-	-	(2)	(2)	-	-	-	-	-	(2)
15	**Amount outstanding**														
	Trade payables														
	Ishnaya Foundation	-	-	-	-	(2)	-	(2)	-	-	-	-	-	-	-
	Juris Corp Legal Service	-	-	-	-	(4)	-	(4)	-	-	-	-	-	-	-
	Deposits Payables														
	Deepak Nitrite Limited	-	-	-	-	-	(4)	(4)	-	-	-	-	-	(4)	(4)
	Remunerations payable														
	Other Directors	-	-	(204)	-	-	-	(204)	-	-	(142)	-	-	-	(142)
	Trade receivables														
	Deepak Nitrite Limited	-	-	-	-	-	2,751	2,751	-	-	-	-	-	249	249
	SCM Fertichem Limited	-	-	-	-	-	-	-	36	-	-	-	-	-	36
	Deepak Mining Services Private Limited	15	-	-	-	-	-	15	15	-	-	-	-	-	15
	Ishanya Brand Services Ltd	646	-	-	-	-	-	646	96	-	-	-	-	-	96
	Performance Chemiserve Private Limited	350	-	-	-	-	-	350	1,136	-	-	-	-	-	1,136
	Interest Receivable														
	Deepak Mining Services Private Limited	14	-	-	-	-	-	14	11						11
	SCM Fertichem Limited	-	-	-	-	-	-	-	48						48

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Note 39 (b) RELATED PARTY TRANSACTION

Sr. No.	Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence (*)	Enterprises Over Which Relatives are able to Exercise Significant Influence	Total
	Deposits Receivables														
	Mr Sailesh Mehta	-	-	2,110	-	-	-	2,110	-	-	2,110	-	-	-	2,110
	Robust Marketing Services Private Limited	-	-	-	-	650	-	650	-	-	-	-	650	-	650
	Loans recoverable														
	Deepak Mining Services Private Limited	29	-	-	-	-	-	29	27	-	-	-	-	-	27
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	13,724	-	-	-	-	-	13,724	96,429	-	-	-	-	-	96,429
	SCM Fertichem Limited ^	-	-	-	-	-	-	-	50	-	-	-	-	-	50
	Optionaly Convertible Debentures (Includes interest accrued)														
	Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	1,01,655	-	-	-	-	-	1,01,655	-	-	-	-	-	-	-
	Corporate Guarantee Given														
	Deepak Nitrite Limited	-	-	-	-	-	(1,786)	(1,786)	-	-	-	-	-	(1,786)	(1,786)

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

*Remuneration doesn't include sitting fees paid to non-executive directors of 65.30 Lakhs (31 March 2022 : 66 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.

**Conversion of ICD loan in to Investment in Optionaly Convertible Debentures.

^During the year Company has written off Loan given to and interest thereon SCM Fertichem.

Refer note no 41 for Corporate guarantees given on behalf of subsidiaries to banks.

Note :The Company has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 21 point no (b))

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to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 40: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2023	31 March 2022
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts*	8,574	7,801
Income Tax Demands	6,557	6,513
Excise/Service Tax/Custom Demands #	5,102	5,105
Sales Tax/ VAT Demands	7,487	6,547
Local Body Tax	1,543	1,543
Penalty on Entry Tax	1,551	1,551
Total	**30,814**	**29,060**
B. Capital commitments		
Related to Projects	3,596	1,577
Related to Realty	44	6
C. Other Commitments*		
Commitments to Supplier	15,672	15,578
Total	**19,312**	**17,162**

includes ₹1,881 Lakhs (31 March 2022 : ₹1,881 Lakhs) which pertains to service tax liabilities. Company has received a favourable order from CESTAT against which the department has gone into appeal on December 04, 2019.

*During the previous year, the company has received a letter of waiver from a supplier for offtake liability and consequently, the company now has to complete its purchase obligation over a period of eight years.

Also refer note 41 for corporate guarantees given to its subsidiaries.

Note 41: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013 AND SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Loans and advances to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required.

Name of the party	Rate of interest	Due date and amount payable	Purpose	31 March 2023	31 March 2022
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	8.25%-9.50%	Repayable within 3 years from the date of disbursement	The loan has been granted to the subsidiary for working capital requirements.	13,724	96,429
Deepak Mining and Services Private Limited	8.25%-9.50%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	29	27
SCM Fertichem Limited	9%-9.50%	Repayable on demand	The loan has been granted to the subsidiary for working capital requirements.	-	50
			Total	**13,753**	**96,506**

Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	31 March 2023		31 March 2022		Remarks
	Foreign currency (Lakhs)	Amount	Foreign currency (Lakhs)	Amount	
Platinum Blasting Services Pty. Ltd (subsidiary of wholly owned subsidiary, Smartchem Technologies Limited)	-	-	AUD 93.5	5,300	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from banks. Original Guarantee has given for AUD 93.5 Lakhs. Loan outstanding as on 31 March 2023 is Nil
Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited (STL))	-	2,35,743	-	74,010	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from banks. Original Guarantee has given for ₹74,010 Lakhs. Loan outstanding as on 31 March 2023 of ₹28,494 Lakhs.
Performance Chemiserve Limited (step down subsidiary)	-	2,63,574	-	2,04,400	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from banks. Original Guarantee has given for ₹2,63,574 Lakhs. Loan outstanding as on 31 March 2023 of ₹1,93,758Lakhs.

Note 42: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2023		31 March 2022	
	Amount in foreign currency	Equivalent Amount in INR	Amount in foreign currency	Equivalent Amount in INR
Hedged Position*				
Creditors (in USD)	11	900	75	5,676
Total	**11**	**900**	**75**	**5,676**
Un-hedged Position				
Creditors (in USD)	0	14	3	225
Creditors (in EURO)	14	1,165	0	31
Borrowings and interest (USD)	-	-	131	9,950
Exports Receivables (in USD)	(1)	(103)	(3)	(261)
Total	**13**	**1,076**	**131**	**9,945**

*The above transactions are hedged by following derivative contracts

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	31 March 2023		31 March 2022	
	Amount in foreign currency	Equivalent Amount in INR	Amount in foreign currency	Equivalent Amount in INR
Forward Contracts-USD	-	-	-	-
Forward Contracts-CHF	-	-	-	-
Options Contracts-USD	11	900	75	5,676
Total	**11**	**900**	**75**	**5,676**

The Company has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

Unhedged Foreign Currency exposure is as under

Sensitivity level	Amount in foreign currency	31 March 2023	Amount in foreign currency	31 March 2022
Payables and borrowings (including interest)	14	1,179	134	10,206
Receivables and bank balances	(1)	(103)	(3)	(261)

Note 43: Impact of Hedging activities

The company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The company therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2023 amd 31 March 2022 in relation to commodity rate hedge.

A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2023

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	0	-	-				
Butane	MT	0	-	-				

As on 31 March 2022

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	Units	Quantity	Asset	Liabilities				
Propane	MT	6000	1,006	-	30 June 2022	1:2.7	USD 605	USD 520
Butane	MT	9000	1,438	-	30 June 2022	1:2.7	USD 615	USD 530

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk 31 March 2023	74	-	1,431	Cost of material consumed
Commodity rate risk 31 March 2022	3,869	-	3,006	Cost of material consumed

C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
As at 1 April 2021	**370**
Add: Changes in fair value of commodity hedge contracts	3,869
Less: Amount reclassified to profit or loss	3,006
Less: Deferred tax relating to OCI gain	217
As at 31 March 2022	**1,016**
Add: Changes in fair value of commodity hedge contracts	74
Less: Amount reclassified to profit or loss	1,431
Less: Deferred tax relating to above	(342)
As at 31 March 2023	**1**

Note 44: Income Taxes

A. Components of Income Tax Expenses	31 March 2023	31 March 2022
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current Year	8,855	6,705
Adjustments/(credits) related to previous year-(net)	-	-
Total (A)	**8,855**	**6,705**
Deferred tax charge/(credit)	1,025	137
Total (B)	**1,025**	**137**
Total (A+B)	**9,880**	**6,842**
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	18	8
(Gain)/Loss on debt instruments through other comprehensive income	(342)	217
Total	**(324)**	**225**

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Accounting profit before tax	39,014	26,620
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) (A)	**9,820**	**6,700**
Effects of non-deductible business expenses	108	103
Others	(48)	39
Total (B)	**60**	**142**
Income Tax expense reported in the statement of profit or loss (A+B)	**9,880**	**6,842**

Note 45

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by t he Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal. Based on advice of the independent tax experts, management is of the view that aforesaid matters will not have any significant impact on the Company's financial position and hence no further provision has been recognised as of 31 March 2023. Appropriate disclosure have been made under Contingent liabilities (Note 42).

Note 46

Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.

Note 47

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 48

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 49: Transactions with Struck off Companies

Name of struck off company	Nature of transactions	Balance outstanding	Relationship with struck off company
SM WATER TREATMENT PRIVATE LIMITED	Payable for Water treatment charges	0.36	Vendor

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 50: Ratio

	Particulars	31 March 2023	31 March 2022	Items included in numerator	Items included in denominator	Change in the ratio compared to the preceding year	Explanation for change more than 25%
(a)	Current Ratio	1.28	1.34	Total current assets	Total current liabilities	(4.51)	NA
(b)	Debt-Equity Ratio	0.12	0.21	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	(41.63)	Increase in the networth by way of raising equity through FCCB conversion and increase in retained earnings.
(c)	Debt Service Coverage Ratio	2.33	1.78	Earnings available for Debt Service (Net profit after tax + Non cash operating expenses + interest + other non cash adjustments)	Debt Service = Interest and lease payments + Principal repayments	31.16	Increase in DSCR due to significant increase in Profit before depreciation , Interest and Tax
(d)	Return on Equity Ratio	10.18%	8.35%	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	21.97	NA
(e)	Inventory turnover ratio	13.20	13.45	Cost of goods sold	Average inventory	(1.89)	NA
(f)	Trade Receivables turnover ratio	16.95	12.63	Revenue from operations	Average trade receivables	34.14	Better receivable management during the period resulted to increase in the ratio.
(g)	Trade payables turnover ratio	6.54	6.61	Purchase of materials and stock in trade	Average trade payables	(1.01)	NA
(h)	Net capital turnover ratio	15.63	12.38	Revenue from operations	Working Capital = Current Assets-Current Liabilities	26.20	Increase in net capital turnover ratio due to decrease in net working capital and minor improvement in revenue from operation
(i)	Net profit ratio	12.40%	8.64%	Profit after tax for the current year	Revenue from operations	43.52	Increase in net profit ratio due to margin as a percentage of sales increase as compared to previous year
(j)	Return on Capital employed	13.11%	10.11%	Profit before tax and finance costs	Capital Employed = Tangible Networth + Total Debt + Deferred tax liability	29.74	Increase in return on capital employed ratio due to margin as a percentage of sales increase as compared to previous year
(k)	Return on investment	6.01%	3.11%	Income generated from invested funds	Average invested funds in treasury investments	93.25	Increase in return on investment ratio due to better return on investments

The Company has also made deposits with banks on which it is earning return of around 3.50%-7.05%.

Notes

to the Standalone Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 51

Previous period's figures have been reclassified/ regrouped wherever necessary.

Notes 3 to 51 form an integral part of the standalone financial statements.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Consolidated
Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of Deepak Fertilisers And Petrochemical Corporation Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company"), its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its Joint Operation, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of 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 statements/financial information prepared by the management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Operation as at March 31, 2023, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Operation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 46 of the Consolidated Financial Statements dealing with assessment and demand orders of ₹ 486 crores (including interest and net of consequential MAT credit available), issued under Section 153A of the Income-tax Act, 1961 and the appeals filed thereagainst by the Company (Material Subsidiary). The Company (Material Subsidiary) has disclosed the same in contingent liabilities. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on consideration of the reports of other auditors, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our Principal Audit Procedures
Contingent Liabilities The Holding Company operates in various states within India, exposing it to a variety of different Central and State laws and regulations and interpretations thereof. In this complex regulatory environment, there is a high risk of litigations and claims. The Holding Company's tax positions have been challenged by the authorities on a range of matters. Moreover, resolution of tax and legal proceedings may span over multiple years and may involve protracted negotiations or litigation.	i. Obtained an understanding of key internal financial controls in respect of assessment of litigations and claims relating to the relevant laws and regulations; ii. Obtained the Holding Company's assessment of the pending disputes including where applicable, external legal counsel opinions, developments during FY 2022-23 and post year-end status of litigations;

The Holding Company applies significant judgment in estimating the likelihood of the outcome of each case and consequently its impact on the Consolidated Financial Statements. These estimates could change over time as new facts emerge and as each matter progresses. Refer note 42, 48 and note 49 to the Consolidated Financial Statements. Accordingly, we identified Contingent Liabilities as a key audit matter.	iii. Inquired with the Holding Company's external legal counsels, where applicable and in case of material contingent liabilities, to understand the Holding Company's assessment of the litigations and claims; iv. Evaluated the Holding Company's assessments by understanding precedents set in similar cases and assessed the reliability of the Holding Company's past estimates/judgements; v. Performed test checks on the provision made/ contingent liabilities/ other significant litigations / disclosures made in the Consolidated Financial Statements; and Assessed the adequacy of the disclosures relating to contingent liabilities in the Consolidated Financial Statements.
Revenue Recognition: as reported by component auditors of Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)	**Principle Audit Procedures by component auditors of Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)**
Revenue is measured at the transaction price as reduced by dealer discounts and other similar allowances. Subsidy income is booked as revenue when the sale to dealer/ retailer is recognised and is subject to the Company ensuring with compliance with relevant regulatory requirements. Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership. The application of Indian accounting standard (Ind AS 115) involves significant judgements /material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognised.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes. • Analysed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates. • Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account. • Performed cut-off procedures to ensure that revenue is accounted in the correct period. • Selected a sample of contracts and performed the following procedures: (a) Analysed and identified the distinct performance obligations in these contracts. (b) Compared such performance obligations with that identified and recorded by the Company. (c) Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration.

Impairment of Assets: as reported by component auditor of Performance Chemiserve Limited The Company has significant Capital Work-in-Progress relating to the Ammonia Project. As the amount is significant, an assessment of carrying value of assets of Ammonia Project is required.	Reviewed disclosures included in the notes to the accompanying Financial Statements. **Principle Audit Procedures by component auditors of Performance Chemiserve Limited** Evaluated the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary Financial Information, current market conditions and growth rates. • Assessed the reliability of management's forecast, whilst considering the risk of management bias. • Evaluated the appropriateness of impairment model prepared by the management.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Joint Operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Operation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for assessing the ability of the Group and its Joint Operation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group and its Joint Operation or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Joint Operation are responsible for overseeing the financial reporting process of the Group and its Joint Operation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its Joint Operation has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Operation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Operation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint Operation to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

We communicate with those charged with governance of the Holding Company and other companies included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance and based on audit reports of other auditors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS PARAGRAPHS

1. We did not audit the financial statements of nine subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹12,68,388 Lakhs as at March 31, 2023, revenues from operation of ₹ 9,50,917 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 90,717 Lakhs and net cash inflows of ₹12,548 Lakhs, for the year ended as on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the annual consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.

   Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

2. The Consolidated Financial Statements include the financial statements of one subsidiary which has not been audited by us, whose financial statements reflect total assets of ₹ 24 Lakhs as at March 31, 2023, revenues from operations of Rs Nil Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ (1) Lakhs and net cash outflows of ₹ (2) Lakhs, for the year ended as on that date. The financial statements/financial information of this subsidiary are management drawn. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

3. We did not audit the financial statements/financial information of one joint operation included in the annual standalone financial statements. The management of the Holding Company recorded its share based on Management drawn statements of the joint operation. According to the information and explanations given to us by the management and in our opinion, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting

Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.

g) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us, and on the consideration of reports of the other auditors on separate financial statements; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:

(i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group and its Joint Operation - Refer Note 42, 48 and 49 to the Consolidated Financial Statements.

(ii) The Group and its Joint Operation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.

(iii) There is no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group and its Joint Operation during the year ended March 31, 2023 except the following in case of Holding Company:

Year	Type of dividend	Dividend unpaid in Lakhs	Status
1997-1998	Final	0.37	Not yet transferred to Investor Education and Protection Fund due to legal dispute with regards to ownership of shares which remains unresolved

(iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and other auditors of subsidiaries included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as given below

S. No.	Name	CIN	Company /Associate/ Joint Venture	Clause number of the CARO report
1	Deepak Fertilisers And Petrochemicals Corporation Ltd	L24121MH1979PLC021360	Holding Company	Clause i(c)
2	Mahadhan Agritech Limited (formerly known as Smartchem Technologies Limited)	U67120PN1987PLC166034	Subsidiary	Clause i(c)
3	Deepak Mining Services Private Limited	U14100PN2008PTC132562	Subsidiary	Clause ix(d) and Clause xvii
4	Ishanya Brand Services Limited	U74900PN2008PLC131967	Subsidiary	Clause xvii
5	Ishanya Realty Corporation Limited	U70101PN2008PLC131330	Subsidiary	Clause xvii

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOF8570

Pune
May 17, 2023

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Deepak Fertilisers And Petrochemical Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiaries incorporated in India for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The management of the companies incorporated in India included in the Group and its Joint Operation incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of subsidiaries incorporated in India, referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and subsidiary companies incorporated in India's internal financial controls with reference to Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Consolidated Financial Statements those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and based on the audit reports of other auditors, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, 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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to four subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOF8570

Pune
May 17, 2023

Consolidated Balance Sheet

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,01,096	2,16,836
Capital work-in-progress	4	3,52,653	2,42,654
Investment property	5	20,103	3,607
Right of use of assets	5(a)	38,691	37,697
Goodwill on consolidation	6	4,347	4,399
Other intangible assets	7	3,587	1,837
Intangible asset under development	4a	182	112
Investment in equity accounted investees	8	-	5
Financial assets			
i. Investments	9	248	248
ii. Other financial assets	15	7,377	5,257
Deferred tax assets (net)	26	-	3,915
Income tax assets (net)		14,967	11,229
Other non-current assets	16	60,465	42,849
Total non-current assets		**7,03,716**	**5,70,645**
Current assets			
Inventories	17	1,25,890	1,04,489
Financial assets			
i. Investments	10	59,714	87,633
ii. Trade receivables	11	1,69,053	62,004
iii. Cash and cash equivalents	13	27,925	16,109
iv. Other bank balances	14	21,940	12,766
v. Loans	12	108	90
vi. Other financial assets	15	8,759	5,196
Other current assets	18	25,016	15,485
Total current assets		**4,38,405**	**3,03,772**
Total assets		**11,42,121**	**8,74,417**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	12,624	12,059
Other equity	20	4,94,076	3,76,363
Equity attributable to owners of the Company		5,06,700	3,88,422
Non controlling interest		12,627	11,777
Total equity		**5,19,327**	**4,00,199**

Consolidated Balance Sheet

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	21	3,23,098	2,32,135
ii. Lease liabilities	5(a)	5,442	5,513
iii. Other financial liabilities	23	6,342	5,064
Provisions	24	6,087	7,402
Deferred tax liabilities (net)	26	84	-
Total non-current liabilities		**3,41,053**	**2,50,114**
Current liabilities			
Financial liabilities			
i. Borrowings	22	38,239	26,267
ii. Lease liabilities	5(a)	3,109	1,717
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	25	5,737	6,287
(b) total outstanding dues of creditors other than micro and small enterprises	25	1,71,999	1,35,278
iv. Other financial liabilities	23	39,636	36,065
Other current liabilities	27	11,334	12,461
Provisions	24	5,893	5,542
Current tax liabilities (net)		5,794	487
Total current liabilities		**2,81,741**	**2,24,104**
Total liabilities		**6,22,794**	**4,74,218**
Total equity and liabilities		**11,42,121**	**8,74,417**
Significant accounting policies	1 - 2		
The accompanying notes form an integral part of the consolidated financial statements	3 - 53		

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Consolidated Statement of Profit and Loss

For the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	28	11,30,069	7,66,329
Other income	29	8,402	4,393
Total income		**11,38,471**	**7,70,722**
Expenses			
Cost of materials consumed	30	6,93,859	4,60,296
Purchases of stock-in-trade	31	1,01,698	60,482
Changes in inventories of finished goods and stock-in-trade	32	(28,634)	(17,858)
Employee benefits expense	33	59,442	49,194
Finance costs	34	19,473	15,482
Depreciation and amortisation expense	35	23,921	23,253
Other expenses	36	87,160	78,620
Total expenses		**9,56,919**	**6,69,469**
Profit before tax		**1,81,552**	**1,01,253**
Tax expense			
Current tax	45	55,178	31,489
Deferred tax (credit)/charge	26	4,286	1,016
Total tax expense		**59,464**	**32,505**
Profit for the year		**1,22,088**	**68,748**
Other comprehensive income ('OCI')			
(A) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		171	(22)
Income tax relating to this item	26	(55)	11
Total (A)		**116**	**(11)**
(B) Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(216)	169
Cash Flow hedge		(1,357)	863
Income tax relating to this item	26	342	(217)
Total (B)		**(1,231)**	**815**
Other comprehensive income for the year (A+B), net of tax liability		**(1,115)**	**804**
Total comprehensive income for the year		**1,20,973**	**69,552**
Profit for the year attributable to:			
-Owners of the Company		1,21,010	67,827

Consolidated Statement of Profit and Loss

For the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
-Non controlling interests		1,078	921
Other comprehensive income (net of tax) attributable to:			
-Owners of the Company		(1,039)	745
-Non controlling interests		(76)	59
Total comprehensive income for the year attributable to:			
-Owners of the Company		1,19,971	68,572
-Non controlling interests		1,002	980
Earnings per equity share of ₹10 each	37		
i) Basic (in ₹)		97.70	60.44
ii) Diluted (in ₹)		97.70	58.25

As per our report of even date attached

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

P.S. Bhattacharyya
Director
DIN: 00329479

Place: Pune
Date: 17 May 2023

Amitabh Bhargava
President & CFO

Gaurav Munoli
Company Secretary
Membership No: A24931

Consolidated Statement of Cash Flows

For the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,81,552	1,01,253
Adjustments for		
Depreciation and amortisation expense	23,921	23,252
Loss on sale of property, plant and equipment (net)	(8)	18
Provision for doubtful trade receivables	196	1,036
Bad debts	414	-
Gain on sale of investments	(3,376)	(1,465)
Unwinding of discount on security deposits	(175)	-
Changes in fair value of financial assets at fair value through profit or loss	(300)	(253)
Provision for stores and spares	142	-
Provision for loan given to companies	-	13
Provision for capital work in progress	149	477
Unrealised (gain) on embedded derivative contracts	(17)	320
Income on reversal of decommissioning liability	(392)	-
Interest income due to conversion of FCCB loan in shares	(429)	-
Interest income	(1,838)	(1,408)
Finance costs	19,902	15,482
Unrealized foreign exchange fluctuations loss/(gain) (net)	231	1,105
Cash generated from operations before working capital changes	**2,19,972**	**1,39,830**
Change in trade receivables	(1,07,875)	29,301
Change in inventories	(21,543)	(40,767)
Change in trade payables	36,393	11,006
Change in other financial liabilities	10,241	21,304
Change in other financial assets	(5,534)	(1,416)
Change in other non-current assets	(17,672)	(10,054)
Change in other current assets	(9,531)	(1,308)
Change in provisions	(793)	(1,161)
Change in other current liabilities	(735)	6,543
Cash generated from operations	**1,02,923**	**1,53,278**
Income taxes paid (net)	(53,609)	(32,176)
Net cash generated from operating activities	**49,314**	**121,102**
Cash flows from investing activities		
Purchase of additional shares in body corporate/subsidiary/associate	-	(245)
Purchase of property, plant and equipment, intangible assets (including Capital work-in-progress)	(1,20,938)	(99,004)
Proceeds from sale of property, plant and equipment	74	102
Proceeds from sale of investments in mutual fund	9,74,045	6,92,950

Consolidated Statement of Cash Flows

For the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Purchase of investments in mutual fund	(9,42,450)	(7,33,944)
Loans to employees and other loans given	(18)	(37)
Fixed deposit placed	(82,434)	(19,845)
Fixed deposit matured	72,336	15,647
Interest received	1,501	1,419
Net cash (used in) investing activities	**(97,884)**	**(142,957)**
Cash flows from financing activities		
Proceeds from borrowings - non current	126,839	43,131
Repayment of borrowings - non current	(22,973)	(19,709)
Proceeds from borrowings - current	8,406	11,035
Repayment of borrowings - current	-	(18,775)
Payment of lease liability	(2,485)	(1,691)
Proceeds from QIP issue of Equity shares	-	51,000
Payment of share issue expenses	-	(1,158)
Interest paid	(37,981)	(33,122)
Dividends paid	(10,923)	(8,128)
Dividends paid to non-controlling interests	(497)	(437)
Net cash from generated from financing activities	**60,386**	**22,146**
Net increase in cash and cash equivalents	11,816	291
Cash and cash equivalents at the beginning of the year	16,109	15,818
Cash and cash equivalents at end of the period	**27,925**	**16,109**

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Consolidated Statement of Changes in Equity

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**12,059**	**10,268**
Changes due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	**12,059**	**10,268**
Changes in equity share capital during the year		
Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	-	1,244
Shares issued by way of conversion of Foreign currency convertible bonds (FCCB)	565	547
Balance at the end of the year	**12,624**	**12,059**

B. OTHER EQUITY

	Reserves and surplus						Items of Other Comprehensive Income			Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of de-fined benefit plans	Fair value through OCI Including foreign currency translation reserve	Effective portion of Cash Flow Hedges			
Balance as at 1 April 2021	**30,044**	**1,950**	**4,167**	**2,790**	**17,922**	**2,04,771**	**(2,499)**	**476**	**370**	**2,59,991**	**9,701**	**2,69,692**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	30,044	1,950	4,167	2,790	17,922	2,04,771	(2,499)	476	370	2,59,991	9,701	2,69,692
Profit for the year	-	-	-	-	-	67,827	-	-	-	67,827	921	68,748
Other comprehensive income	-	-	-	-	-	-	(11)	110	646	745	59	804
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**67,827**	**(11)**	**110**	**646**	**68,572**	**980**	**69,552**
Premium on allotment of shares under Right issue	10,133	-	-	(1,286)	-	-	-	-	-	8,847	-	8,847
Issue of Qualified Institutional Placement (QIP)	49,756	-	-	-	-	-	-	-	-	49,756		49,756
Share issue expenses	(1,158)	-	-	-	-	-	-	-	-	(1,158)	-	(1,158)
Impact of increase in investment in subsidiary	-	-	-	-	-	(1,533)	-	-	-	(1,533)	1,533	-
Dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(437)	(437)
Dividend paid	-	-	-	-	-	(8,112)	-	-	-	(8,112)	-	(8,112)
	58,731	-	-	(1,286)	-	(9,645)	-	-	-	47,800	1,096	48,896
Balance as at 1 April 2022	**88,775**	**1,950**	**4,167**	**1,504**	**17,922**	**2,62,953**	**(2,510)**	**586**	**1,016**	**3,76,363**	**11,777**	**3,88,140**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	88,775	1,950	4,167	1,504	17,922	2,62,953	(2,510)	586	1,016	376,363	11,777	3,88,140
Profit for the year	-	-	-	-	-	1,21,010	-	-	-	1,21,010	1,078	1,22,088
Other comprehensive income	-	-	-	-	-	-	116	(140)	(1,015)	(1,039)	(76)	(1,115)
Total comprehensive income for the year	-	-	-	-	-	1,21,010	116	(140)	(1,015)	1,19,971	1,002	120,973
Conversion of foreign currency convertible bonds	10,438	-	-	(1,504)	-	-	-	-	-	8,934	-	8,934

Consolidated Statement of Changes in Equity

as at 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Reserves and surplus							Items of Other Comprehensive Income		Total attributable to Owners of the Company	Non Controlling Interest	Total
	Securities premium	Capital redemption reserve	Capital Reserve	Equity portion of non-current borrowings (FCCB)	General reserve	Retained earnings	Remeasure-ment of de-fined benefit plans	Fair value through OCI Including foreign currency translation reserve	Effective portion of Cash Flow Hedges			
Impact of increase in investment in subsidiary	-	-	-	-	-	(339)	-	-	-	(339)	339	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(491)	(491)
Dividend paid	-	-	-	-	-	(10,853)	-	-	-	(10,853)	-	(10,853)
	10,438	-	-	(1,504)	-	(11,192)	-	-	-	(2,258)	(152)	(2,410)
Balance as at 31 March 2023	**99,213**	**1,950**	**4,167**	**-**	**17,922**	**3,72,771**	**(2,394)**	**446**	**1**	**4,94,076**	**12,627**	**5,06,703**

Note: Refer note 20 for nature and purpose of other equity.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

1. Corporate Information

Deepak Fertlisers and Petrochemicals Corporation Limited ("the Holding Company or the Parent Company") is a public limited company domiciled in India, with its registered office at Pune, Maharashtra, India. The Holding Company has been registered under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE") in India.

The Holding Company and its subsidiaries (together referred to as "the Group") is engaged in the business of fertlisers, agri services, bulk chemicals, mining chemicals and value-added real estate.

These consolidated financial statements of the Group as at and for the year ended on 31 March 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 17, 2023.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 notified, as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments); and
- Employee defined benefits plans – plan assets are measured at fair value.

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the Group functional currency and all values are rounded off to the nearest Lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than ₹ 50,000.

2.2A Significant accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Defined benefit plans

Employee benefit obligations are determined using independent actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual results in the future. These include the determination of the discount rate, future salary increases, experience of employee departures and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions for Litigations and claims

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation prossvisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Group assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

Impairment of non-financial assets (including PPE, CWIP and intangible assets)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

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2.2B Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

Equity method of accounting (equity accounted investees)

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

Changes in ownership interests:

The Group treats transactions with non-controlling interests

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that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The details of consolidated entities are as follows:

	Name of the Companies	Country of incorporation	Percentage of ownership interest
1	Mahadhan AgriTech Limited (MAL) (formerly Smartchem Technologies Limited)	India	100.00%
2	Deepak Nitrochem Pty Limited	Australia	100.00%
3	Deepak Mining Services Private Limited (DMSPL)	India	100.00%
4	Ishanya Realty Corporation Limited	India	100.00%
5	SCM Fertichem Limited	India	100.00%
6	Platinum Blasting Services Pty Limited (PBS)[Subsidiary of MAL]	Australia	65.00%
7	Australian Mining Explosives Pty Limited (AME)[Subsidiary of PBS]	Australia	65.00%
8	Performance Chemiserve Limited (formerly known as Performance Chemiserve Private Limited) [Subsidiary of MAL]	India	94.40%
9	Ishanya Brand Services Limited	India	100.00%
10	Mahadhan Farm Technologies Private Limited (Subsidiary of MAL)	India	100.00%

Goodwill on consolidation is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree, and the fair value of the acquiror's previously held equity instruments in the acquiree (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the NCI, even if this results in the NCI having a deficit balance.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and upto the effective date of disposal, as appropriate.

Non-controlling interests (NCI) in the net assets of the subsidiaries that are consolidated consist of the amount of equity attributable to non-controlling shareholders at the date of acquisition.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

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An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(b) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from contracts with customers".

Sale of Goods:

Revenue is recognised upon transfer of control of promised goods to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Sale of Services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest Income:

Interest Income from a financial asset is recognised

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when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any and also to the costs incurred subsequently to add to, replace part of, or service it and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes interest on borrowings directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale. Borrowing costs and other directly attributable cost are added to the cost of those assets until such time as the assets are substantially ready for their intended use, which generally coincides with the commissioning date of those assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/expenses in the statement of profit and loss.

PPE acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning. Depreciation on PPE (except leasehold improvements) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. However, leasehold improvements are depreciated on a straight-line method over the shorter of their respective useful lives or the tenure of the lease arrangement. Freehold land is not depreciated. Schedule II to the Act prescribes the useful lives for various class of assets. For certain class of assets, based on technical evaluation and assessment, Management believes that the useful lives adopted by it reflect the periods over which these assets are expected to be used. Accordingly, for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. Management's estimates of the useful lives for various class of PPE are as given below:

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Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4 – 7
Buildings (other than factory buildings) with RCC frame structure	61
Factory buildings	Various estimated lives upto 30 years.
Plant and equipment including office and laboratory equipments	Various estimated lives upto 25 years. WNA III plant is depreciated at 25.88% on the WDV method
Windmill	19
Plant & machinery used for generation of power through gas	40
Furnitures and Fixtures	5-10

Capital work in progress (CWIP)

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss when the asset is derecognized.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

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Name of intangible assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Technical knowhow/ engineering fees	3 to 8
Operating Rights	10

(e) Bearer plant

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants mainly include mature and immature pomegranate plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, and an allocation of other indirect costs based on planted hectares.

Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight-line basis and over its estimated useful life of 6 years, upon commencement of commercial production.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognized.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(g) Investment property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on buildings is provided over the estimated useful lives as specified in note (c) above. The residual values estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the consolidated Statement of Profit and Loss when the changes arise.

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An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated Statement of Profit and Loss in the period of de-recognition.

An Transfer to (or from investment property are made only when there is a change in use. If the significant ancillary income is generated from services provided along with the rental income and/or the Group creates any assets or facilities activities that generate service income, such investment property shall be reclassified as property, plant and equipment. If the ancillary and/or service income remains insignificant, the asset shall continue to remain as investment property. The classification may also change if the management decides to sell the property.

Transfers between investment property, owner-occupied property and investories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

(i) Foreign currency transactions and balances

The functional currency of the Group (i.e. the currency of the primary economic environment in which the Group operates) is the Indian Rupee (₹). On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the consolidated Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Foreign operations

Assets and liabilities of entities with functional currencies other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the Balance Sheet date. The Statement of Profit and Loss has been translated using the average exchange rates. The net impact of such translation are recognised in OCI and held in foreign currency translation reserve ('FCTR'), a component of Equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control, over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the consolidated Statement of Profit and Loss as part of the gain or loss on disposal.

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In case of a partial disposal of interests in a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to NCI and are not recognised in the consolidated Statement of Profit and Loss. For all other partial disposal (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated Statement of Profit and Loss.

(j) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is

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reclassified to the consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the consolidated Statement of Profit and Loss.

Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the

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Group continues to recognise the transferred asset to the extent of the Group continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in consolidated Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

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 consolidated Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. The liability is initially measured at fair value and is subsequently measured at the higher of the amount of loss allowance determined, or the amount initially recognised less, the cumulative amount of income recognised.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods

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and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value.

(k) Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(l) Inventories

Cost of raw materials, traded goods, packing materials and stores and spares comprises cost of purchases and cost of finished goods comprises direct materials, direct labour

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(All amounts in ₹ Lakhs unless otherwise stated)

and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs of purchased inventory are determined after deducting rebates and discounts.

- Raw materials, packing materials and stores and spares are valued at the lower of cost and net realisable value. Cost is determined on the basis of moving weighted average method. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- Finished goods and by-products including those held for captive consumption are valued at the lower of cost and net realisable value. Cost is determined on actual cost basis. Cost of finished goods includes taxes and duties, as applicable. Variances, exclusive of abnormally low volume and operating performance, are adjusted to inventory. Stock-in-trade is valued at lower of cost and net realisable value.

- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the consolidated Statement of Profit and Loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurancecontract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit and Loss. net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(o) Employee benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post-retirement medical benefits, directors' retirement obligations and family benefit scheme.

Post-employment benefit plans

Defined contribution plans

Payments to a defined contribution retirement benefit scheme for eligible employees in the form of provident fund and superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds of equivalent term and currency to the liability. The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset.

The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated Statement of Profit and Loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any), are recognised immediately in the consolidated Balance Sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the consolidated Statement of Profit and Loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated Statement of Profit and Loss as past service cost.

Short-term employee benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under:

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(All amounts in ₹ Lakhs unless otherwise stated)

(a) In case of accumulating compensated absences, when employees render service that increase their entitlement of future compensated absences; and

(b) In case of non - accumulating compensated absence, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the obligation at the Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the consolidated Statement of Profit and Loss.

(p) Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.

Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the consolidated Statement of Profit and Loss in the periods in which the hedged item affects the profit or loss.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Derivatives that are not designated as hedges: The Group enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges. Such derivative contracts are accounted for at each reporting date at fair value through the consolidated Statement of Profit and Loss.

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(r) Cash dividend

The Group recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Group.

(s) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

(t) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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(All amounts in ₹ Lakhs unless otherwise stated)

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

(u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(v) Segment reporting

Based on the "Management approach" as defined in Ind AS 108: Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Inter-segment sales and transfers are reflected at market prices.

Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole. Common allocable costs are allocated to each segment on an appropriate basis. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/expenses/ assets/ liabilities", as the case may be.

(w) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss, as incurred. The acquiree's indentifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of NCI in the acquiree and the fair value of acquirer's previously held equity instrument in the acquire (if any) over the net of acquisition date fair value of identifiable net assets acquired and liabilities assumed. Where the fair values of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the NCI's proportionate share of the

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to the Consolidated Financial Statements for the year ended 31st March 2023

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acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting in a contingent consideration arrangement, such contingent consideration, on the acquisition date is measured at fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve as the case may be. Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

Changes in the proportion of the equity held by NCI are accounted for as equity transactions. The carrying amount of the controlling interests and NCI are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

The Group accounts for the common control transactions in accordance with the 'pooling of interests' method prescribed under Ind AS 103 – Business Combinations for common control transactions where all the assets and liabilities of transferor companies would be recorded at the book value as at the Appointed date.

(x) Contingent Liability and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not

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recognized because it is not probable that an outflow of economic resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(y) Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2022-23.

(z) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. **Ind AS 1 – Material accounting policies -** The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. **Ind AS 8 – Definition of accounting estimates -** The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'.

iii. **Ind AS 12 – Annual Improvements to Ind AS (2021) -** The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Group is currently assessing the impact of application of these amendments on its financial statements.

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to the Consolidated Financial Statements for the year ended 31st March 2023

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Note 3: PROPERTY, PLANT & EQUIPMENT

	Free-hold Land	Lease-hold Improve-ments	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount											
As at 1 April 2021	22,380	133	53,452	2,23,777	37	5,010	1,401	3,158	653	2,793	3,12,794
Reclassified to Right to Use of an Asset	(6,978)	-	-	-	-	-	-	-	-	-	(6,978)
Additions	1,777	-	218	15,016	-	164	1,332	537	79	444	19,567
Disposals	-	-	(22)	(55)	-	-	(69)	(75)	-	(275)	(496)
Exchange differences	-	2	-	-	-	-	-	-	-	-	2
Gross carrying amount as at 31 March 2022	**17,179**	**135**	**53,648**	**2,38,738**	**37**	**5,174**	**2,664**	**3,620**	**732**	**2,962**	**3,24,890**
Accumulated depreciation											
Opening accumulated depreciation	-	(67)	(9,088)	(69,903)	(37)	(2,792)	(854)	(2,298)	(363)	(2,045)	(87,447)
Depreciation charge for the year	-	(15)	(2,358)	(17,343)	-	(304)	(159)	(351)	(81)	(337)	(20,948)
On disposals	-	-	9	41	-	-	69	68	-	154	341
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2022	-	(82)	(11,437)	(87,205)	(37)	(3,096)	(944)	(2,581)	(444)	(2,228)	(1,08,054)
Net carrying amount as on 31 March 2022	**17,179**	**53**	**42,211**	**1,51,532**	**(0)**	**2,078**	**1,720**	**1,039**	**288**	**734**	**2,16,836**
Gross carrying amount											
As at 1 April 2022	17,179	135	53,648	2,38,738	37	5,174	2,664	3,620	732	2,962	3,24,889
Additions	-	96	1,466	17,785	-	636	349	351	63	955	21,701
Disposals	-	(1)	(37)	(51)	-	(2)	(21)	(54)	-	(132)	(298)
Exchange differences		(4)		(293)			-	(2)		(16)	(315)
Adjustment (Transfer to Investment property)*	(4,608)	-	(18,006)	-	-	-	-	-	-	-	(22,614)

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	Free-hold Land	Lease-hold Improve-ments	Buildings	Plant and Equipment	Bearer plants	Electric Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount as at 31 March 2023	**12,571**	**226**	**37,071**	**2,56,179**	**37**	**5,808**	**2,992**	**3,915**	**795**	**3,769**	**3,23,363**
Accumulated depreciation											
Opening accumulated depreciation	-	(82)	(11,437)	(87,205)	(37)	(3,096)	(944)	(2,581)	(444)	(2,228)	(1,08,054)
Depreciation charge for the year	-	(14)	(2,735)	(16,445)	-	(339)	(274)	(396)	(51)	(408)	(20,662)
On disposals	-	-	9	31	-	2	21	49	-	78	190
Adjustment (Transfer to Investment property)*	-	-	6,150	-	-	-	-	-	-	-	6,150
Exchange differences		2		94				1		12	109
Accumulated depreciation as at 31 March 2023	-	(94)	(8,013)	(1,03,525)	(37)	(3,433)	(1,197)	(2,927)	(495)	(2,546)	(1,22,267)
Net carrying amount as on 31 March 2023	**12,571**	**132**	**29,058**	**1,52,654**	**-**	**2,375**	**1,795**	**988**	**300**	**1,223**	**201,096**

* During the year one property has been transferred from property, plant and equipment to investment property in accordance with Ind AS 40, Investment Property.

1. The above does not include stamp duty on the assets (land and other assets) transferred under a restructuring scheme from Deepak Fertilisers And Petrochemicals Corporation Limited (Holding Company) to the Subsidiary Company, STL for which an application for adjudication has been made to the Collector of Stamps (Enforcement), Mumbai. The order in respect of the same is awaited. After completion of the aforesaid process, title deeds of leasehold and freehold land will be transferred in the name of STL.

2. No proceedings has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3. Refer Note 21 foot note for information on Property, plant and equipment provided as security by the Company.

4. Refer Note 2.3(c) for policy on depreciation

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 4: CAPITAL WORK-IN-PROGRESS

	As at 31 March 2023	As at 31 March 2022
Projects (Mainly comprising of building and plant and machinery)#*	3,43,483	2,29,788
Others	9,170	12,866
Total	**3,52,653**	**2,42,654**

Includes borrowing cost of ₹ 74,970 Lakhs (31st March 2022 ₹ 55,289 Lakhs)

* Includes salary cost of ₹ 2,811 Lakhs. (31st March 2022 ₹ 2,973/- Lakhs)

(a) Ageing schedule of Capital-work-in progress (CWIP):

CWIP	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	1,11,126	75,641	25,465	1,40,421	3,52,653

CWIP	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects and CWIP Others in progress	76,791	23,741	57,220	84,902	2,42,654

1) Projects temporarily suspended during the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

(b) For Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

For the year ended 31 March 2023

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	13	-	-	46,040	46,053
Ammonia project and others	2,96,092	-	-	-	2,96,092
Total	**2,96,105**	**-**	**-**	**46,040**	**3,42,145**

For the year ended 31 March 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	-	47,692	47,692
Ammonia project	16	1,93,881	-	-	1,93,881
Total	**16**	**1,93,881**	**-**	**47,692**	**2,41,573**

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Note 4a: INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	182	112
Total	**182**	**112**

Ageing schedule Intangible assets under development:

Intangible assets under development	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	90	92	-	-	182

Intangible assets under development	As on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	95	1	-	16	112

1) Projects temporarily suspended during the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

2) Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2023 ₹ NIL (31 March 2022 ₹ NIL)

Note 5: INVESTMENT PROPERTY

	As at 31 March 2023	As at 31 March 2022
Gross carrying amount		
Opening gross carrying amount	3,607	3,607
Reclassification from Property, plant & equipment	22,614	
Closing gross carrying amount	**26,221**	**3,607**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Reclassification from Property, plant & equipment	-	-
Depreciation charge for the year	(6,118)	-
Closing accumulated depreciation	**(6,118)**	**-**
Net carrying amount	**20,103**	**3,607**

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(All amounts in ₹ Lakhs unless otherwise stated)

(i) Fair value

	As at 31 March 2023	As at 31 March 2022
Investment properties	62,421	12,359

Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2023 is ₹ 62,421 Lakhs (31 March 2022: ₹ 12,359 Lakhs) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Fair value Hierarchy

The fair values of investment properties have been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitute of Creaticity mall and land parcels at Panchagini, Khamgaon, Solapur, Nashik and vacant land at Yerwada, Pune.

Description of valuation technique used

The Group obtains independent valuations of its investment property parodically every three years as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

Note 5 (a): Leases

A. Right of use assets

Particulars	Leasehold Building	Furniture & fixtures	Leasehold Land	Plant and Machinery	Other Equipment	Total
Gross carrying amount						
Balance as at 1 April 2021	14,361	302	11,530	-	4,497	30,690
Add: Additions	9,171	-	3,188	27	34	12,420
Less: Disposals	-	-	-	-	-	-
Exchange differences	65	-	-	-	9	74
Gross carrying amount as at 31 March 2022	**23,597**	**302**	**14,718**	**27**	**4,540**	**43,184**
Accumulated amortization						
Balance as at 1 April 2021	(2,058)	(92)	(767)		(673)	(3,590)

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Leasehold Building	Furniture & fixtures	Leasehold Land	Plant and Machinery	Other Equipment	Total
Amortisation for the year	(1,103)	(60)	127)	(3)	(563)	(1,856)
Exchange differences	(31)	-	-	-	(10)	(41)
Accumulated depreciation as at 31 March 2022	(3,192)	(152)	(894)	(3)	(1,246)	(5,487)
Net carrying amount as at 31 March 2022	**20,405**	**150**	**13,824**	**24**	**3,294**	**37,697**
Gross carrying amount						
Balance as at 1 April 2022	23,597	302	14,718	27	4,540	43,184
Add: Additions	837	18	-	1,835	3,977	6,667
Less: Disposals	(324)	-	-	-	-	(324)
Adjustments	(1,202)	-	-	-	(3,924)	(5,126)
Exchange Difference	(89)				-	(89)
Gross carrying amount as at 31 March 2023	**22,819**	**320**	**14,718**	**1,862**	**4,593**	**44,312**
Accumulated amortization						
Balance as at 1 April 2022	(3,192)	(152)	(894)	(3)	(1,246)	(5,487)
Amortisation for the year	(1,589)	(96)	(498)	(239)	(615)	(3,037)
Less: Disposals	324	-	-	-	-	324
Less: Adjustments	849	-	-	-	1,694	2,543
Exchange differences	36	-	-	-	-	36
Accumulated depreciation as at 31 March 2023	(3,572)	(248)	(1,392)	(242)	(167)	(5,621)
Net carrying amount as at 31 March 2023	**19,247**	**72**	**13,326**	**1,620**	**4,426**	**38,691**

Amortisation expense on right to use assets amounting to ₹ 398 lakhs (₹ Nil 31 March 2022) is included under capital work in progress.

B. Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current	3,109	1,717
Non Current	5,442	5,513
Total	**8,551**	**7,230**

C. Interest expenses on lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest on lease liabilities	708	644

D. Expenses on short term leases / low value assets

Particulars	As at 31 March 2023	As at 31 March 2022
Short term lease	1,468	1,221

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

E. Amounts recognised in the statement of cash flow

Particulars	As at 31 March 2023	As at 31 March 2022
Total cash outflow for leases	2,485	1,691

Other Information:

The Group has leases mainly for Land, Corporate building, furniture items, machinery and other equipments. These lease contracts provide for payment to increase each year by inflation.

As a Lessor:

The Group has given buildings on operating lease, Leases are renewed only on mutual consent and at a prevalent market price. Operating lease rent and incidental income recognised in the Statement of Profit and Loss: 1411 Lakhs (31 March 2022: 855 Lakhs).[Refer Note no 28]

Details of undiscounted lease payments receivable after the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Receivable not later than 1 year	1,680	1,318
Receivable later than 1 year and not later than 2 years	1,764	1,680
Receivable later than 2 years and not later than 3 years	1,852	1,764
Receivable later than 3 years and not later than 4 years	1,945	1,852
Receivable later than 4 years and not later than 5 years	2,042	1,945
Receivable later than 5 years	-	2,042
Total	**9,283**	**10,601**

Note 6: GOODWILL ON CONSOLIDATION

	As at 31 March 2023	As at 31 March 2022
Opening balance	4,399	4,368
Adjustment for foreign exchange (Platinum Blasting Services Pty Limited)	(52)	31
Total	**4,347**	**4,399**

Goodwill of ₹ 4,347 lakhs (2022: ₹ 4,399 lakhs) relates to the CGUs namely Mahadhan Farm Technologies Private Limited ₹ 1,542 lakhs (31 March 2022: ₹ 1,542 lakhs), Performance Chemiserve Limited ₹ 1,190 lakhs (31 March 2022: ₹ 1,190 lakhs) and Australian Mining Explosives Pty Ltd ₹ 1,615 lakhs (31 March 2022: ₹ 1,667 lakhs) respectively.

The management has performed the impairment testing of all the companies identified as CGUs based on the revenue generated, profit earned, return on investment, market valuation of ongoing projects and net worth of these companies. Based on assessment of all these factors, management is of the view that there is no indicator of impairment in any of the companies and did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 7: OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Technical Know How / Engineering fees	License Fees	Operating Rights	Total
Gross carrying amount as on 1 April 2021	**2,426**	**328**	**1,729**	**-**	**4,483**
Additions during the year	591	-	34		625
Gross carrying amount as on 31 March 2022	**3,017**	**328**	**1,763**	**-**	**5,108**
Additions during the year	69	-	28	2,280	2,377
Deletion during the year	(6)				(6)
Foreign exchange difference	(4)				(4)
Gross carrying amount as on 31 March 2023	**3,076**	**328**	**1,791**	**2,280**	**7,475**
Accumulated Amortisation					
Accumulated amortisation as at 1 April 2021	**1,147**	**189**	**1,484**		**2,820**
Amortisation charge for the year	330	22	99		451
Accumulated amortisation as at 1 April 2022	1,477	211	1,583	-	3,271
Amortisation charge for the year	368	117	79	56	620
Foreign exchange difference	(3)				(3)
Closing accumulated amortisation as at 31 March 2023	**1,842**	**328**	**1,662**	**56**	**3,888**
Net Block as at 31 March 2022	**1,540**	**117**	**180**	**-**	**1,837**
Net Block as at 31 March 2023	**1,234**	**-**	**129**	**2,224**	**3,587**

Refer Note 2.3(d) for policy on amortisation

Note 8: INVESTMENT IN EQUITY ACCOUNTED INVESTEES

	As at 31 March 2023	As at 31 March 2022
Investments in equity shares (unquoted) of Associates (fully paid up) at Cost		
49,994 (31 March 2022: 49,994) equity shares of Ishanya Realty Corporation Limited of ₹ 10 each	-	5
Total (equity instruments)	-	5
Aggregate amount of unquoted investments	5	5
Aggregate amount of impairment in the value of investments	-	-

During the year the Company has made additional investment in equity shares of Ishanya Realty Corporation Limited, making it a wholly owned subsidiary.

The Group has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 9: NON-CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Investment in equity shares (quoted) (fully paid up) (fair value through profit and loss)		
4,715 (31 March 2022: 4,715) Equity shares of Punjab National Bank Limited of ₹ 2 each fully paid up	3	3
Investments in equity shares (unquoted) (fully paid up) (fair value through other comprehensive income)		
24,50,000 equity shares of Avadda Solar Power Project of ₹10 each	245	245
88,448 (31 March 2022: 88,448) equity shares of Deepak International Limited of AUD 1 each	-	-
Total (equity instruments)	**248**	**248**
Aggregate amount of quoted investments and market value thereof	3	3
Aggregate amount of unquoted investments	245	245

* Investment in Deepak International Ltd of ₹69 Lakhs has been fair valued at ₹Nil

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 10: CURRENT INVESTMENTS

	As at 31 March 2023	As at 31 March 2022
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	59,714	87,633
Total	**59,714**	**87,633**
Aggregate carrying value of unquoted investments	59,714	87,633
Aggregate market value of unquoted investments	59,714	87,633

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 11: TRADE RECEIVABLES

	As at 31 March 2023	As at 31 March 2022
Trade Receivables		
Unsecured, considered good*	1,69,053	62,004
Unsecured, credit Impaired	6,016	5,820
Less: Impairment loss allowance	(6,016)	(5,820)
Total	**1,69,053**	**62,004**
Current portion of net trade receivables	1,69,053	62,004
Non - current portion of net trade receivables	-	-

*Trade Receivables include ₹ 87,899 lakhs (31 March 2022 ₹ 15,868 Lakhs) towards fertiliser subsidy receivable from the Government of India.

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(All amounts in ₹ Lakhs unless otherwise stated)

Movement in allowance for expected credit loss:

	As at 31 March 2023	As at 31 March 2022
Balance at beginning of the year	5,820	4,784
Add: Allowance for expected credit loss	608	1,077
Less: Reversed / utilized during the year	(412)	(41)
Balance as at the end of the year	**6,016**	**5,820**

Trade receivables have been offered as security against the working capital facilities provided by the banks (Refer note 22).

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Refer Note 39(i) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Refer Note 41(b) for amount receivable from related parties which includes debts due by companies in which any director is a director or member.

The Group's exposure to customers is diversified and no other customers, contributes more than 10% of the outstanding receivables as at 31 March 2023 and 31 March 2022.

Trade Receivables ageing schedule

Particulars		Outstanding for following periods from due date of payment as on 31 March 2023					
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	1,66,146	2,611	252	44	-	1,69,053
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	14	111	292	657	4,941	6,016
(iv)	Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance		(14)	(111)	(292)	(657)	(4,941)	(6,016)
Total		**1,66,146**	**2,611**	**252**	**44**	**-**	**1,69,053**

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022					
	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	60,967	257	531	249	-	62,004
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	66	19	416	3,305	2,015	5,820
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(66)	(19)	(416)	(3,305)	(2,015)	(5,820)
Total	**60,967**	**257**	**531**	**249**	**-**	**62,004**

Note 12: LOANS

	As at 31 March 2023		As at 31 March 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Advances to employees	105	-	87	-
Other loans	3	-	3	-
Unsecured, considered doubtful				
Other loans	205	-	205	-
Less: Provision for doubtful loans	(205)	-	(205)	-
Total	**108**	**-**	**90**	**-**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

Note 13: CASH & CASH EQUIVALENTS

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- in current accounts	15,259	15,327
Deposits with original maturity upto three months	12,665	780
Cash on hand	1	2
Total	**27,925**	**16,109**

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 14: OTHER BANK BALANCES

	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks		
Unclaimed dividend	817	747
Deposits with remaining maturity upto 12 months from the reporting date	21,123	12,019
Total	**21,940**	**12,766**

Note 15: OTHER FINANCIAL ASSETS

			As at 31 March 2023		As at 31 March 2022	
			Current	Non Current	Current	Non Current
Unsecured, considered good						
a.	Derivative assets					
	(i)	Foreign-exchange option contracts	-	-	723	-
	(ii)	Commodity hedge contracts	-	-	2,444	-
	(iii)	Embedded Derivative	-	-		-
b.	Interest receivable					
	(i)	From bank	27	-	4	-
	(ii)	From others	423	-	109	-
c.	Security deposits		860	4,630	714	3,504
d.	Bank deposits with more than 12 months maturity		-	1,240	-	246
e.	Amount paid under protest for claims from supplier*			1,507		1,507
f.	Incentive receivable from Government		5,430	-	1,144	-
g.	Others		2,019		58	-
Total			**8,759**	**7,377**	**5,196**	**5,257**

Refer Note 38(i) for Fair value measurements of financial assets and liabilities and refer Note 38(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

*Included in supplier claim (refer note 42)

Note 16: OTHER NON-CURRENT ASSETS

	As at 31 March 2023	As at 31 March 2022
Capital advances	9,390	9,446
Balance with government authorities	48,084	33,116
Prepaid Expenses	491	287
Stamp duty paid under protest	2,500	-
Total	**60,465**	**42,849**

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 17: INVENTORIES

	As at 31 March 2023	As at 31 March 2022
Raw materials ((includes ₹ 136 Lakhs in transit) (31 March 2022 ₹ 13,206 Lakhs)	35,899	45,013
Finished goods	52,007	32,480
Stock-in-trade ((includes ₹ Nil in transit) (31 March 2022 ₹ 731 Lakhs)	17,048	7,941
Stores and spares ((includes ₹ Nil) (31 March 2022: ₹ 281 Lakhs))	19,154	16,897
Packing material	1,782	2,158
Total	**1,25,890**	**1,04,489**

(i) The cost of inventories recognised as an expense includes ₹ 567.48 Lakhs (31 March 2022: ₹ 128 Lakhs) in respect of write-down of inventories to net realisable value.

(ii) Refer Note 2.3(i) for policy on valuation of inventories.

(iii) Inventories has been offered as security against the working capital facilities provided by the banks (refer note 22).

Note 18: OTHER CURRENT ASSETS

	As at 31 March 2023	As at 31 March 2022
Advances for supply of goods and services	6,356	4,886
Balances with government authorities (includes GST, Custom duty etc)	13,520	8,494
Prepaid expenses	3,112	2,046
Other receivables	2,028	59
Total	**25,016**	**15,485**

Note 19: SHARE CAPITAL

	As at 31 March 2023	As at 31 March 2022
Authorised		
13,50,50,000 equity shares of ₹ 10/- each.	13,505	13,505
(31 March 2022: 13,50,50,000 equity shares of ₹ 10/- each)		
	13,505	**13,505**
Issued, subscribed and fully paid-up share capital		
12,62,37,825 equity shares of ₹ 10/- each.	12,624	12,059
(31 March 2022: 12,05,92,948 equity shares of ₹ 10/- each)		
Fully paid-up share capital as at year end	**12,624**	**12,059**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

(i) Reconciliation of the number of Equity Shares

	As at 31 March 2023		As at 31 March 2022	
Equity Shares	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Balance as at the beginning and at the end of the year	12,05,92,948	12,059	10,26,77,088	10,268
Add: Shares issued by way of Qualified Institutional Placement (QIP) issue during the year	-	-	1,24,39,029	1,244
Add: Shares issued by way of conversion of foreign currency convertible bonds (FCCB)	56,44,877	565	54,76,831	547
Balance as at the end of the year	**12,62,37,825**	**12,624**	**12,05,92,948**	**12,059**

Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Holder of each equity share is entitled to one vote per share.

The Holding Company declares and pays dividend in Indian Rupees except in the case of overseas shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Holding Company the holders of equity share will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the numbers of equity shares held by the shareholder.

(ii) Details of shareholders holding more than 5% shares in the holding company

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	**% Holding**	**Number of shares**	**% Holding**
Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	36.15%
Robust Marketing Services Private Limited	1,08,52,301	8.60%	1,08,52,301	9.00%

Shares held by promoters	As on 31 March 2023		As on 31 March 2022		**% of Change during the year**
Promoter Name	**No. of Shares**	**% of Total Shares**	**No. of Shares**	**% of Total Shares**	
Class of Shares : Equity shares of ₹ 10/- each					
1) Shri Chimanlal K Mehta	8,78,913	0.70%	8,78,913	0.73%	-0.03%
2) Shri Sailesh C Mehta	1,731	0.00%	1,731	0.00%	0.00%
3) Smt. Parul S Mehta	1,409	0.00%	1,409	0.00%	0.00%
4) Shri Yeshil S. Mehta	1,15,000	0.09%	1,15,000	0.10%	0.00%

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(All amounts in ₹ Lakhs unless otherwise stated)

Shares held by promoters		As on 31 March 2023		As on 31 March 2022		% of Change during the year
Promoter Name		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
5)	Nova Synthetic Limited	4,35,92,875	34.53%	4,35,92,875	36.15%	-1.62%
6)	Sofotel Infra Private Limited	19,41,546	1.54%	19,41,546	1.61%	-0.07%
7)	Robust Marketing Services Private Limited	1,08,52,301	8.60%	1,08,52,301	9.00%	-0.40%

Note 20: OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)

(ii) Nature and purpose of other equity

(a) **Securities premium:** Amount received in excess of face value of the equity shares is recognized in Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the 2013 Act.

(b) **Capital redemption reserve:** The Group had issued redeemable preference shares and as per the provisions of the Act where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits.

(c) **General reserve:** This represents appropriation of profits by the Group to General Reserve and is available for distribution of dividend.

(d) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholder.

(e) **Other comprehensive income :** This represents equity instruments carried at fair value through OCI, foreign currency exchange differences, Hedge income and remeasurement of employee benefits (gratuity & post retirement benefit).

FINANCIAL LIABILITIES

Note 21: NON-CURRENT BORROWINGS

	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2023	As at 31 March 2022
Secured				
Term loans				
(i) State Bank of India (Loan 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	9.95% per annum	5,585	11,921
(ii) Export Import Bank of India (Loan 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	7.95% per annum	1,432	2,860
(iii) Export Import Bank of India (Loan 3)	Repayable in 28 quarterly instalments starting from June 2020 onwards.	9.55% to 9.75% per annum	22,733	25,642

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(All amounts in ₹ Lakhs unless otherwise stated)

		Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2023	As at 31 March 2022
(iv)	Bank of Baroda (Loan 6)	Repayable in quarterly instalment starting from March 2023	9.90% per annum	1,46,022	77,104
(v)	Export Import Bank of India (Loan 3)	Repayable in quarterly instalment starting from March 2023	9.90% per annum	47,736	34,292
(vi)	Bank of Baroda (Loan 8)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.15% to 9.40% per annum	13,606	16,454
(vii)	Export Import Bank Of India (Loan 9)	Repayable in quarterly instalments starting from June 2021 and end date of 31 March 2028	8.85% to 9.35% per annum	15,654	18,913
(viii)	Bank of Baroda (Loan 10)	Repayable in quarterly instalments starting from October 2020 and end date of October 2023	9.05% to 9.85% per annum	4,585	10,620
(ix)	Term Loan - State Bank of India, Sydney (Loan 7)	Repayable from calendar year 2018 to 2022	4.55% per annum	3,865	1,777
(x)	Bank of Baroda (Loan 2)	Repayable in 20 quarterly instalments starting from June 2023 onwards.	8.50% per annum	39,903	22,379
	Export Import Bank of India (Loan 3)	Repayable in 40 quarterly instalments starting 31/12/2026	10.19% per annum	7,746	-
	Canara Bank Technical Ammonium Nitrate (TAN) Project (Loan 5)			1,246	-
	Union Bank of India TAN Project (Loan 5)			584	-
	State Bank of India TAN Project (Loan 5)			584	-
	Punjab National Bank TAN Project (Loan 5)			586	-

Notes

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(All amounts in ₹ Lakhs unless otherwise stated)

	Terms of repayment & Maturity date	Coupon/ Interest rate	As at 31 March 2023	As at 31 March 2022
External Commercial Borrowings				
Asian Development Bank (Loan 11)	Repayable in 8 semi-annual instalments starting 15/12/2023	6.89% per annum	12,163	-
Unsecured				
(i) Foreign currency convertible bonds - IFC		Simple Interest : Upto March 12, 2021 : 5% simple interest per annum March 13, 2021 Onwards : 4.5% simple interest per anum and Compound Interest : Upto March 12, 2021 : 1.75% compound interest per anum From March 13, 2021 onwards : 2.25% compound interest per annum"	-	9,479
(ii) Compulsory convertible debentures - International Finance Corporation (IFC), USA		8% per annum (IRR - 15.25%)	25,802	23,862
Total			**3,49,832**	**2,55,303**
Less: Current maturities of long-term debt (included in note 22)			**26,734**	**23,168**
Total			**3,23,098**	**2,32,135**

i) The term loans from State Bank of India and Export Import Bank of India (Loan 1) have been availed for financing Nitro Phosphate Plant (NPK project). The term loans are secured by pari passu first charge to be created on the entire fixed assets pertaining to NPK project. All present and future immovable and movable fixed assets pertaining to NPK project from Plot K1 to Plot K5, MIDC Industrial Area, Taloja, Dist. Raigad.

ii) The term loan from Bank of Baroda (Loan 2) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, Yerrowda Investments Limited (YIL). Corporate Guarantee of YIL to the extent of the value of Immovable property is offered to Bank of Baroda.

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(All amounts in ₹ Lakhs unless otherwise stated)

iii) The term loans from Export Import Bank of India (Loans 3 and 4) are secured by exclusive charge over the movable fixed assets by way of hypothecation and immovable fixed assets by way of mortgage of the Company situated at Plot No. K7 and K8 at MIDC, Taloja.

iv) The term loans from Canara Bank, Punjab National Bank, State Bank of India and Union Bank of India (Loan 5) have been availed for financing of TAN Gopalpur Project. The term loans are secured by way of first pari passu charge on TAN Project movable and immovable assets (present and future).

v) The term loans from Bank of Baroda and Exim Bank (Loan 6) have been availed for financing of Ammonia Project at Taloja. The loans are running at the rate of 10.40% for existing RTL-1 and 10.90% for RTL-3 in case of Bank of Baroda and Exim is at 10.40%. The term loans are secured by first charge by way of hypothecation in favour of all lenders of movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

vi) The term loan availed from State Bank of India, Sydney (Loan 7) is secured by pari pasu first charge on the movable and immovable fixed assets of the subsidiary, second charge on current assets of subsidiary.

vii) The term loan 8 and loan 9 has been availed for financing of Nitric Acid project at Dahej. The term loan is secured by pari passu charge on the land & building and hypothecation of all the present & future immovable fixed assets and intangible assets pertaining to Nitric Acid project at Dahej.

viii) The term loan 10 has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, M/s Yerrowda Investments Limited (YIL). Corporate Guarantee of M/s Yerrowda Investments Limited (YIL) to the extent of the value of Immovable property is offered to Bank of Baroda.

ix) The External Commercial Borrowing (ECB) from Asian development Bank (Loan 11) has been availed for the purpose of financing the capital expenditure of fertilisers manufacturing plants located at Taloja, Dist. Raigad. The ECB is to be secured by first ranking pari passu charge to be created over NPK assets situated at Taloja, Dist. Raigad.

x) The Group has used the borrowings taken from banks and financial institution for the specific purposes for which they were taken as at the balance sheet date.

xi) The Indian companies in the Group have registered all the required charges with Registrar of Companies within the statutory period.

Note 22: CURRENT BORROWINGS

	As at 31 March 2023	As at 31 March 2022
From banks		
Secured		
-Buyer's credit	8,278	-
-Current maturities of non-current borrowings	26,734	23,168
-Short term loan	3,227	3,099
Total	**38,239**	**26,267**

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(All amounts in ₹ Lakhs unless otherwise stated)

Buyer's credits are generally due within 180 days and carry variable rate of interest (Average Interest rate for the year was 4.16% (31 March 2022 - Nil) and are secured by a first charge by way of hypothecation of stocks of raw materials, finished goods, consumable stores and book debts.

CHANGES IN FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITY AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current borrowings (refer note 21)	3,23,098	2,32,135
Current borrowings (refer note 22)	38,239	26,267
Interest accrued (refer note 23)	1,640	1,042
Non-current Lease liabilities (refer note 5a)	5,442	5,513
Current Lease liabilities (refer note 5a)	3,109	1,717
	3,71,528	**2,66,674**
Cash and Non-cash adjustments		
Conversion of Foreign Currency Conversion Bonds to Equity Share Capital and Securities Premium	(9,499)	(9,394)
Foreign currency translation differences	161	921
Proceeds from borrowings	1,35,245	54,166
Repayment of borrowings	(22,973)	(38,484)
Repayment of Book Overdraft	-	(151)
(Decrease)/ Increase in interest accrued	598	(215)
Interest on lease liability	708	603
Addition on account of new leases	3,098	366
Lease payments	(2,485)	(1,691)
Movement of borrowings (net)	**1,04,853**	**6,121**

The Indian companies in group have filed the quarterly statements of current assets with banks which are in agreement with the books of account.

Note 23: OTHER FINANCIAL LIABILITIES

	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposits	6,242	4,947
Embedded Derivative liability	100	117
Total	**6,342**	**5,064**
Current		
Interest accrued and not due on borrowings	1,640	1,042
Security deposits	2,718	2,478
Capital creditors	10,012	16,270
Commission payable to executive directors	19,106	9,591
Foreign Currency Options	231	-

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(All amounts in ₹ Lakhs unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Salary payables	5,109	5,372
Unclaimed dividend (#)	817	747
Others	3	565
Total	**39,636**	**36,065**

(#) ₹ 74 Lakhs (31 March 2022 ₹ 119 Lakhs) transferred to the Investor Education and Protection Fund during the year. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company except for ₹ 0.37 Lakhs (31 March 2022 ₹ 0.37 Lakhs), wherein legal disputes with regards to ownership have remained unresolved.

Note 24: PROVISIONS

	As at 31 March 2023		As at 31 March 2022	
	Current	Non - Current	Current	Non - Current
Provision for employee benefits				
Gratuity	880	4,198	835	4,405
Compensated absences	1,128	1,546	520	2,214
Defined pension benefits	343	218	324	266
Total (A)	**2,351**	**5,962**	**1,679**	**6,885**
Provisions for tax contingencies#	3,542	-	3,863	-
Provision for site restoration*	-	125	-	517
Total (B)	**3,542**	**125**	**3,863**	**517**
Total (A+B)	**5,893**	**6,087**	**5,542**	**7,402**

Movement in Provisions

	Tax contingencies#	Site restoration*	Compensated absences
As at 1 April 2021	**5,743**	**472**	**2,374**
Additional provisions recognised	-	45	360
Unused amounts reversed	(1,880)	-	-
As at 1 April 2022	**3,863**	**517**	**2,734**
Additional provisions recognised	-	-	-
Unused amounts reversed	(321)	(392)	(60)
As at 31 March 2023	**3,542**	**125**	**2,674**

The provision is mainly on account of Entry tax, MVAT applicable on purchase of natural gas and income tax provision.

* The site restoration expense and decommissioning charges outflow is expected to be within a period of one to five years from date of balance sheet.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

(A) Defined Contribution Plans (refer Note 33)

The Group has certain defined contribution plans such as provident fund, employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

Particulars	As at 31 March 2023	As at 31 March 2022
Employer's contribution to provident fund	998	946
Employer's contribution to employee's pension scheme	281	284
Employer's contribution to superannuation fund	793	766
Employer's contribution to employee state insurance	9	10
Total	**2,081**	**2,007**

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.90% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2022: 60 years), withdrawal rate is 10% p.a. (31 March 2022: 8% p.a.) and mortality table is as per IALM (2012-14) ult (31 March 2022: IALM (2012-14) ult).

The estimates of future salary increases, considered in actuarial valuation is 8% p.a. (31 March 2022: 8% p.a), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 6.90% p.a. (31 March 2022: 6.60% p.a).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	10,507	9,878
Current service cost	747	716
Interest cost	698	624
Actuarial loss	(60)	136
Benefits paid	(634)	(847)
Present value of obligation at the end of the year	11,258	10,507

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	11,258	10,507
Fair value of plan assets at the end of the year	6,179	5,267
Net liabilities recognised in the Balance Sheet	5,079	5,240

Fair value of Plan assets :

Particulars	As at 31 March 2023	As at 31 March 2022
Plan assets at the beginning of the year	5,267	4,973
Interest income	104	74
Expected return on plan assets	288	263
Contribution by employer	835	757
Actual benefits paid	(323)	(847)
Actuarial gain/(loss)	8	47
Plan assets at the end of the year	6,179	5,267

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	747	716
Interest cost	320	299
Expense recognised in the Statement of Profit and Loss	1,067	1,015

Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31 March 2022
Actuarial loss on defined benefit obligation	(60)	136
Actuarial (gain) on plan assets	(21)	(58)
Amount recognised in the Other Comprehensive Income	(81)	78

Remeasurements for the year (Actuarial (Gain) / Loss)

Particulars	As at 31 March 2023	As at 31 March 2022
Experience Loss on plan liabilities	225	291
Demographic Loss on plan liabilities	(50)	-

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Financial (Gain) / Loss on plan liabilities	(236)	(154)
Experience (Gain) / Loss on plan assets	(6)	(49)
Financial Loss on plan assets	(15)	(10)

Categories of the fair value of total plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Funds managed by insurer	6,179	5,267
(%) of total plan assets	100%	100%

Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit (decrease)/increase	(441)	491	(481)	533

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	Future salary increase		Future salary increase	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	384	(351)	434	(401)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Maturity profile of defined benefit obligation (Gratuity) is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 months (next annual reporting period)	3,287	2,464
Later than 1 year and not later than 5 years	5,586	5,783
Later than 5 year and not later than 9 years	4,492	7,211
Total expected payments	**13,365**	**15,458**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 7.53 to 9.12 years (31 March 2021: 8.22 years)

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(All amounts in ₹ Lakhs unless otherwise stated)

RISK EXPOSURE AND ASSET LIABILITY MATCHING

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1. Liability Risks

a. Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2. Asset Risks

Plan assets are maintained in a trust fund partly managed by a public sector insurer viz;LIC of India and partly managed by a private sector insurer viz;India First Life Insurance.

The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

ii. Defined pension benefits

The Group has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership etc. for specified number of year. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.90% p.a) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 60 years (31 March 2022: 60 years), withdrawal rate is 8% p.a. (31 March 2022: 8% p.a.) and mortality table is as per IALM (2012-14) ult (31 March 2022: IALM (2012-14) ult).

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the beginning of the year	590	589
Current service cost	79	81
Past service cost	-	-
Interest cost	39	37
Actuarial loss	(90)	(55)
Benefits paid	(57)	(62)
Present value of obligation at the end of the year	561	590

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	79	81
Interest cost	39	37
Expense recognised in the Statement of Profit and Loss	118	118

Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements Cost / (Credit)	(90)	(56)
Amount recognised in the Other Comprehensive Income	(90)	(56)

Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31 March 2022	
Assumptions	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(131)	181	(142)	198

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 25: TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
(a) total outstanding dues of micro and small enterprises	5,737	6,287
(b) total outstanding dues of creditors other than micro and small enterprises	1,71,999	1,35,278
Total	**1,77,736**	**1,41,565**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The amount of principal and interest outstanding during the year is given below :

	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	5,737	6,287
- Principal amount outstanding (whether due or not) to micro and small enterprises	5,132	5,682
- Interest due thereon	6	6
The amount of interest paid by the Group in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	61,759	61,759
Amount of interest due and payable on delayed payments	350	350
Amount of interest accrued and remaining unpaid as at year end	605	605
The amount of further interest remaining due and payable even in the succeeding year	-	-

Details of Micro and Small Enterprises as define under MSMED ACT, 2006

To comply with the requirement of The Micro, Small And Medium Enterprises Development Act, 2006, the Group requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprise as is defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Group has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

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Trade Payables aging schedule

Particulars		As on 31 March 2023 - 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	5,005	404	187	141	5,737
(ii)	Others	1,64,090	759	161	991	1,66,000
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
(v)	Unbilled dues	5,999	-	-	-	5,999
Total		**1,75,094**	**1,163**	**348**	**1,132**	**1,77,736**

Particulars		As on 31 March 2022 - 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	5,588	436	152	112	6,288
(ii)	Others	1,25,256	31	613	839	1,26,739
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
(v)	Unbilled dues	8,383	122	33	-	8,538
Total		**1,39,227**	**589**	**798**	**951**	**1,41,565**

Note 26: DEFERRED TAX ASSETS (NET)

Particulars		As at 31 March 2023	As at 31 March 2022
The balance comprises temporary differences attributable to:			
(a)	Deferred tax assets	54,239	56,753
(b)	Deferred tax liabilities	(54,323)	(52,838)
Net deferred tax assets		**(84)**	**3,915**

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Movements during the year ended 31 March 2023

	1 April 2022	Credit/(charge) in the statement of Profit and Loss	Credit/ (Charge) in equity	Credit/(charge) in the Other Comprehensive Income	As at 31 March 2023
Property, plant and equipment, investment property and intangibles assets	(52,403)	(1,920)	-	-	(54,323)
Business loss	42,916	(498)	-	-	42,418
Financial assets at fair value through profit or loss	788	100	-	(465)	423
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,427	(130)	-	-	2,297
Foreign Currency Convertible Bonds	(435)	-	-	435	-
Impairment Provision	375	(375)	-	-	-
Financial assets at fair value through OCI	(324)	7	-	317	-
Deferred Tax on Consolidation	10,139	(1,623)	-	-	8,516
Others	432	153	-	-	585
Net deferred tax assets	**3,915**	**(4,286)**	**-**	**287**	**(84)**

Movements during the year ended 31 March 2022:

	1 April 2021	Credit/(charge) in the statement of Profit and Loss	Credit/ (Charge) in equity	Credit/(charge) in the Other Comprehensive Income	As at 31 March 2022
Property, plant and equipment, investment property and intangibles assets	(53,820)	1,417	-	-	(52,403)
Business loss	43,556	(640)	-	-	42,916
Financial assets at fair value through profit or loss	689	88	-	11	788
Expenses allowable in the year of payment (section 43B of Income Tax Act 1961)	2,303	124	-	-	2,427
MAT credit	-	-	-	-	-
Foreign Currency Convertible Bonds	(876)	49	392	-	(435)
Impairment Provision	255	120	-	-	375
Financial assets at fair value through OCI	(107)	-	-	(217)	(324)
Deferred Tax on Consolidation	11,803	(1,664)	-	-	10,139
Others	900	(510)	42	-	432
Net deferred tax assets	**4,703**	**(1,016)**	**434**	**(206)**	**3,915**

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 27: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2023	As at 31 March 2022
Advances from customers	2,196	4,749
Statutory dues payable	5,937	5,562
Other payables	3,201	2,150
Total	**11,334**	**12,461**

Note 28: REVENUE FROM OPERTATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Finished goods	8,00,421	5,87,089
Traded goods	68,180	67,109
Subsidy on traded fertilisers	43,132	9,123
Subsidy on manufactured fertilisers	2,09,129	1,00,263
Power generated from windmills	-	305
Revenue from realty business	1,412	855
Other operating revenues		
Incentive income*	3,115	1,144
Others	4,680	441
Total	**11,30,069**	**7,66,329**

* Incentive under Scheme for incentive to industries (general) 2016-2021 of State of Gujarat for Dahej Plant

Contracts with customer

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised from contracts with customers	11,30,069	7,66,329
Disaggregation of revenue		
Based on type of goods		
Sale of finished goods -		
(i) Sale of chemicals	6,32,802	4,36,389
(ii) Sale of fertilisers	3,88,881	2,52,548
Sale of traded goods -		
(i) Industrial Chemicals	8,332	21,143
(ii) Fertilisers	97,950	54,509
(iii) Value added real estate (VARE) - Sale of furniture		

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Revenue from power generated from windmills	692	878
- Income from realty operation	1,412	862
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	6,016	5,820

Details of contract balances:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of receivables	62,004	92,341
Closing balance of receivables	1,69,053	62,004

Significant changes in the contract liability balances during the year ended are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract liabilities at the beginning of the year	**4,749**	**1,546**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	4,749	1,546
Increase due to cash received, excluding amounts recognised as revenue during the year	2,196	4,749
Contract liabilities at the end of the year	**2,196**	**4,749**

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Group satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customer No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Group is obliged for refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

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to the Consolidated Financial Statements for the year ended 31st March 2023

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Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract price	11,97,102	8,05,894
Less: Amount recognised as Discounts / shortages	67,033	39,565
Revenue recognised in the statement of profit and loss	11,30,069	7,66,329

Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 29: OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income from financial assets measured at amortized cost	1,838	1,408
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	300	253
Net gain on sale of investments	3,376	1,465
Gain on disposal of property, plant and equipment	11	33
Unwinding of discount on security deposits	175	342
Foreign exchange fluctuation gain (net)	50	-
Interest on Income Tax Refund	1,292	-
Other non-operating income	1,360	892
Total	**8,402**	**4,393**

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 30: COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials as at the beginning of the year	45,013	22,575
Add: Purchases during the year	6,84,745	4,82,734
Less: Raw material as at the end of the year	35,899	45,013
Total	**6,93,859**	**4,60,296**

Note 31: PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	1,01,698	60,482
Total	**1,01,698**	**60,482**

Note 32: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND FINISHED GOODS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance		
Finished goods	32,480	8,460
Stock-in-trade	7,941	14,103
Total opening balance	**40,421**	**22,563**
Closing balance		
Finished goods	52,007	32,480
Stock-in-trade	17,048	7,941
Total closing balance	**69,055**	**40,421**
Total changes in inventories of stock-in-trade and finished goods	**(28,634)**	**(17,858)**

Note 33: EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	54,740	44,588
Contribution to provident fund & other funds	2,081	2,007
Gratuity (refer note 24)	1,067	1,015
Post-employment pension benefits (refer note 24)	118	118
Staff welfare expenses	1,436	1,466
Total	**59,442**	**49,194**

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(All amounts in ₹ Lakhs unless otherwise stated)

Note 34: FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest cost on financial liabilities measured at amortized cost	19,224	30,594
Less: Interest capitalised	(3,501)	(17,848)
Finance charges on finance leases	708	603
Increases in the decommissioning liabilities	-	45
Interest others	992	807
Other borrowing costs	2,015	1,093
Exchange differences regarded as an adjustment to borrowing costs	35	188
Total	**19,473**	**15,482**

Note 35: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	21,445	20,946
Amortisation on right of use asset	1,856	1,856
Amortisation on intangible assets	620	451
Total	**23,921**	**23,253**

Note 36: OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	11,739	11,152
Power, fuel and water*	8,303	9,622
Repairs to :		
- Building	1,153	1,135
- Plant and machinery	9,506	8,821
- Others	2,367	1,945
Rent	1,468	1,221
Insurance	3,134	2,476
Rates, taxes and duties	1,758	2,477
Travelling and conveyance	2,107	904
Legal and professional fees	5,252	5,418
Payments to auditors	102	90
Directors' sitting fees	101	106

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carriage outward (net)	21,538	18,516
Warehouse and handling charges	538	609
Loss on disposal of property, plant and equipment	-	18
Commission on sales	371	418
Sales and promotion expenses	2,725	2,126
Donations	28	28
Utility services	1,422	1,312
Communication expenses	175	191
Corporate social responsibility expenditure	930	389
Bad debts	414	37
Provision for doubtful debts	196	1,036
Provision for doubtful loans	-	13
Foreign exchange fluctuations loss (net)	6,529	4,346
Miscellaneous expenses@	5,304	4,214
Total	**87,160**	**78,620**

* MSEB electricity duty provision taken for ₹ 175 Lakhs (31 March 2022 : ₹ 1,703 for the period April 2015 to March 2022). The same has been reduced from contingent liability.

@ Miscellaneous expenses include Provision for impairment of capital work-in-progress amounting to NIL (31 March 2022 : ₹ 477 Lakhs)

Note 37: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the group by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the group by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Numerator for basic and diluted EPS		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	1,21,010	67,827
Add: Adjustment for interest on Foreign currency convertible bonds post tax	-	820
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for diluted EPS	1,21,010	68,647

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Denominator for basic and diluted EPS		
Weighted average number of equity shares for basic EPS	1,23,856,151	1,12,226,183
Add: Adjustment for Foreign currency convertible bonds	-	5,619,423
Weighted average number of equity shares for diluted EPS	1,23,856,151	1,17,845,606
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	97.70	60.44
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	97.70	58.25

Note 38: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

	31 March 2023			31 March 2022		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
Financial assets						
Investments						
- Equity instruments other than investments in associates	3	245		3	245	-
- Mutual funds	59,714	-	-	87,633	-	-
Trade receivables	-	-	1,69,053	-	-	62,004
Cash and cash equivalents	-	-	27,925	-	-	16,109
Other bank balances	-	-	21,940	-	-	12,766
Loans	-	-	108	-	-	90
Other financial assets						
- Derivative financial assets, not designated as hedges	-	-	-	723	-	-
- Derivative financial asset, designated as hedges	-	-	-	1,581	863	-
- Embedded derivative	-	-	-	-	-	-
- Others	-	-	16,125	-	-	7,286
Total financial assets	**59,717**	**245**	**2,35,151**	**89,940**	**1,108**	**98,255**

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2023			31 March 2022		
	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost
Financial liabilities						
Borrowings	-	-	3,61,337	-	-	2,58,402
Lease Liabilities	-	-	8,551	-		7,230
Trade payables	-	-	1,77,736	-	-	1,41,565
Other financial liabilities						
- Capital creditors	-	-	10,012	-	-	16,270
- Security deposits	-	-	8,960	-	-	7,425
- Interest accrued	-	-	1,640	-	-	1,042
- Embedded derivative	100	-	-	117	-	-
- Others	231	-	24,804	-	-	16,275
Total financial liabilities	**562**	**-**	**5,93,040**	**117**	**-**	**4,48,209**

(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2023				31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial Investments at FVPL								
Equity instruments other than investments in associates	3	-	-	3	3	-	-	3
Mutual funds	59,714	-	-	59,714	87,633	-	-	87,633

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(All amounts in ₹ Lakhs unless otherwise stated)

Financial assets and liabilities measured at fair value	31 March 2023				31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Foreign exchange forward contracts/ options								
Financial Investments at FVOCI								
Equity instruments	-	-	245	245	-	-	245	245
Derivatives								
Foreign exchange forward contracts/ options	-	-	-	-	-	723	-	723
Commodity Hedge contract	-	-	-	-	-	2,444	-	2,444
Embedded derivative	-	-	-	-	-	-	-	-
Total financial assets	**59,717**	**-**	**245**	**59,962**	**87,636**	**3,167**	**245**	**91,048**
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/ options	-	231	-	-	-	-	-	-
Embedded derivative	-	100	-	100	-	117	-	117
Total financial liabilities	**-**	**100**	**-**	**100**	**-**	**117**	**-**	**117**

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 2022

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

a) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) The investments measured at fair value and falling under fair value hierarchy Level 3 are valued on basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair values within that ranges.

c) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date, NAV represents the price at which the issuers will issue further units of mutual fund and the price at which issuers will redeem such units from investor.

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d) The Group enters into derivative financial instruments with various counterparties, principally banks. The fair value of derivative financial instrument is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, credit quality of counterparties, interest rate and forward rate curves of the underlying instruments etc. and use of appropriate valuation models.

e) The investment measured at fair value and falling under fair value hierarchy Level 3 pertains to investment in equity shares of Avaada MHBudhana Private Limited which is regulated by the terms stated in the share purchase agreement. These shares held by the Company are subject to specific limitations regarding the Company's ability to sell them and the permissible valuation at which they can be sold. Given the nature of these restrictions and the management's overall intention concerning the equity shares, the fair value attributed to such shares by the Company is equivalent to their original cost.

Note 39: FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans, investments and balances with banks.

The carrying amount of financial assets represents the maximum credit risk exposure..

Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

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In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

There is no substantial concentration of credit risk as the revenue and trade receivables from any of the single customer do not exceed 10% of Group revenue.

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), ₹2,907 Lakhs (31 March 2022: ₹1,037 Lakhs). There is no concentration of credit risk in trade receivables either at 31 March 2023 or 31 March 2022.

Movement in the expected credit loss allowance of trade receivables are as follows:

	31 March 2023	31 March 2022
Balance at the beginning of the year	5,820	4,784
Add: Provided during the year (net of reversal)	608	1,077
Less: Amount written off	(412)	(41)
Balance at the end of the year	6,016	5,820

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly there are no significant provisions for expected credit loss on these balance financial assets.

ii. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed periodically by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

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(All amounts in ₹ Lakhs unless otherwise stated)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	349,174	36,692	112,651	199,831	349,174
Lease Liabilities	8,551	3,109	5,436	6	8,551
Trade payables	82,057	82,057	-	-	82,057
Interest accrued	455	455		-	455
Security deposits	8,960	2,718	6,242	-	8,960
Capital creditors	10,012	8,613	1,399	-	10,012
Other financial liabilities	20,910	20,405	-	505	20,910
Total non-derivative liabilities	**4,80,119**	**1,54,050**	**1,25,728**	**2,00,342**	**4,80,119**
Derivatives financial liabilities					
Foreign exchange forward contracts	231	231	-	-	231
Foreign Currency Options	1	1	-	-	1
Other financial liabilities	4,224	4,224	-	-	4,224
Borrowings	12,163	1,547	10,616	-	12,163
Interest accrued	1,185	1,185	-	-	1,185
Trade payables	95,679	95,679	-	-	95,679
Total derivative liabilities	**1,13,483**	**1,02,867**	**10,616**	**-**	**1,13,483**

31 March 2022	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	258,402	26,267	105,110	127,025	258,402
Lease Liabilities	7,230	1,717	5,509	4	7,230
Trade payables	56,744	56,744	-	-	56,744
Interest accrued	1,006	1,006	-	-	1,006
Security deposits	7,425	2,478	4,947	-	7,425
Embedded derivative	117	-	17	100	117
Capital creditors	16,270	16,270	-	-	16,270
Other financial liabilities	16,275	16,275	-	-	16,275
Total non-derivative liabilities	**3,63,469**	**1,20,757**	**1,15,583**	**1,27,129**	**3,63,469**

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(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2022	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Derivatives financial liabilities					
Interest accrued	36	36	-	-	36
Trade payables	84,821	84,821	-	-	84,821
Total derivative liabilities	**84,857**	**84,857**	**-**	**-**	**84,857**

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are USD, AED and EUR.

The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contracts.

Exposure to currency risk

(i) The Group's exposure to foreign currency risk at the end of the reporting period is presented in Note no 43.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Particulars	Impact on profit after tax	
	31 March 2023	31 March 2022
USD sensitivity		
₹/USD -appreciated by 1% (31 March 2022-1%)	(901)	(708)
₹/USD -depreciated by 1% (31 March 2022-1%)	901	708
EUR sensitivity		
₹/EUR-appreciated by 1% (31 March 2022-1%)	-	-
₹/EUR-appreciated by 1% (31 March 2022-1%)	-	-

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b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The following table provides a break-up of the Group's fixed and floating rate borrowings:

	31 March 2023	31 March 2022
Variable rate borrowings	3,35,535	2,34,540
Fixed rate borrowings	25,802	23,862
Total borrowings	**3,61,337**	**2,58,402**

(ii) Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2023 would decrease / increase by ₹ 2,255 Lakhs (for the year ended 31 March 2022: decrease / increase by ₹ 1,173 Lakhs). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Note 40. CAPITAL MANAGEMENT

(a) Risk Management

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

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The gearing ratios were as follows:

	31 March 2023	31 March 2022
Net debt	3,11,472	2,29,527
Total equity	5,19,327	4,00,199
Net debt to equity ratio	**0.60**	**0.57**

(b) Dividends

	Particulars	31 March 2023	31 March 2022
(i)	Equity shares		
	Final dividend for the year ended 31 March 2021 of ₹ 9 per fully paid equity share (31 March 2022 of ₹ 7.50 per fully paid equity share)	10,853	8,112
(ii)	Dividend not recognised at the end of the reporting period		
	Since year end the directors have recommended the payment of a final dividend of ₹ 10.00 per fully paid equity share (31 March 2022 : ₹ 9 per fully paid equity share). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	12,624	10,853

Note 41(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS

A	**Associates**	**F**	**Key management personnel**
1	Ishanya Realty Corporation Limited (Associate upto September 2022)	(a)	**Executive directors**
			Mr. Sailesh Mehta
B	**Jointly Controlled Entity**		Mr. Yeshil Mehta
1	Yerrowda Investments Limited		
		(b)	**Non-executive directors**
C	**Entities over which key managerial personnel are able to exercise significant influence:**		Mr. Parul Sailesh Mehta
1	Robust Marketing Services Private Limited		Mr. Madhumilan Parshuram Shinde
2	Nova Synthetic Limited		Mr Tapan Kumar Chatterjee
3	The Lakaki Works Pvt. Ltd.		Mr. Ashok Shah
4	High Tide Investments Pvt. Ltd.	(c)	**Non-executive Independent directors**
5	Deepak Asset Reconstruction Pvt. Ltd.		Mr. Partha Sarathi Bhattacharyya
6	Ishanya Foundation		Mr. Bhuwan C Tripathi
7	Deepak Foundation		Mr. Sujal Shah

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8	M/s. Juris Corp, Advocates and Solicitors		Ms. Varsha Vasant Purandare
9	Blueplanet Consultancy & Advisory (OPC) Private Limited		Mr. Jayesh Shah
10	Peerless General Finance and Investment Company Ltd		Mr. Sanjay Gupta (w.e.f 2nd February 2023)
			Mr. Sitaram Kunte (w.e.f 2nd February 2023)
			Mr. Terje Bakken (w.e.f 2nd February 2023)
D	**Entities over which relatives of key managerial personnel are able to exercise significant influence:**		Mr. Berjis Desai (upto 27th December 2021)
1	Deepak Nitrite Limited		Mr. Ashok Kumar Purwaha
2	Deepak Phenolics Limited		Mr. Alok Perti
3	Sofotel Infra Private Ltd		Mr. Amit Biswas (up to 21st April 2022)
4	Blue Shell Investments Pvt. Ltd.	(d)	**Company Secretary**
5	Storewell Credits And Capital Pvt. Ltd.		Mr. Ritesh Chaudhry (upto 31st March 2023)
E	**Relatives of key management personnel**		Mr. Pankaj Gupta
1	Ms. Rajvee Mehta	(e)	**Chief Finance Officer**
2	Mr. C. K. Mehta		Mr. Amitabh Bhargava
3	Mr. Ajay Chimanlal Mehta		
4	Mr. Deepak Chimanlal Mehta		

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Note 41(b) : Consolidated Related Party transactions

Sr. No.	Nature of Transactions	31 March 2023					31 March 2022				
		Jointly Controlled Entity	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Jointly Controlled Entity	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
1	**Sale of goods**										
	Deepak Nitrite Limited	-	-	-	16,977	16,977	-	-	-	12,794	12,794
	Ishanya Foundation	-	-	-	-	-	-	-	-	5	5
2	**Rendering of services/reimbursement of expenses**										
	Ishanya Foundation	-	-	-	7	7	-	-	-	4	4
	Yerrowda Investments Limited	29	-	-	-	29	4	-	-	-	4
	Deepak Agro Solution Limited	-	-	-	-	-	-	-	-	3	3
	Robust Marketing Services Private Limited	-	-	-	0	0	-	-	-	-	-
3	**Purchase of goods and services**										
	Ishanya Foundation	-	-	-	(4)	(4)	-	-	-	(2)	(2)
	Deepak Nitrite Limited	-	-	-	-	-	-	-	-	(123)	(123)
4	**Receiving of services/reimbursement of expenses**										
	Mr. Madhumilan Parshuram Shinde	-	(39)	-	-	(39)	-	(35)	-	-	(35)
	Mr Tapan Kumar Chatterjee	-	(12)	-	-	(12)	-	-	-	-	-
	Deepak Foundation	-	-	-	(2)	(2)	-	-	-	-	-
	M/s. Juris Corp, Advocates and Solicitors	-	-	-	(31)	(31)	-	-	-	(3)	(3)
5	**CSR contribution**										
	Ishanya Foundation	-	-	-	(430)	(430)	-	-	-	(379)	(379)
6	**Remuneration & commission (including perquisites)**										
	Mr Sailesh Mehta	-	(12,999)	-	-	(12,999)	-	(7,232)	-	-	(7,232)
	Mr Yeshil Mehta	-	(6,472)	-	-	(6,472)	-	(3,337)	-	-	(3,337)
	Mr Amitabh Bhargava	-	(475)	-	-	(475)	-	**(655)	-	-	**(655)
	Mr Ritesh Choudhary	-	(97)	-	-	(97)	-	(60)	-	-	(60)
	Mr Pankaj Gupta	-	(69)	-	-	(69)	-	(69)	-	-	(69)
	Ms. Rajvee Sailesh Mehta	-	-	(58)	-	(58)	-	-	(39)	-	(39)
	Other directors commission	-	(455)	-	-	(455)	-	(242)	-	-	(242)
7	**Lease rental income**										
	Deepak Nitrite Ltd.	-	-	-	44	44	-	-	-	14	14
8	**Lease rental expenses**										
	Mr Sailesh Mehta	-	(50)	-	-	(50)	-	(17)	-	-	(17)
	Robust Marketing Services Private Limited	-	-	-	(50)	(50)	-	-	-	(48)	(48)

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Nature of Transactions	31 March 2023					31 March 2022				
		Jointly Controlled Entity	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total	Jointly Controlled Entity	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	Total
9	**Amount outstanding**										
	Remunerations payable										
	Mr Sailesh Mehta	-	(12,300)	-	-	(12,300)	-	(6,118)	-	-	(6,118)
	Mr Yeshil Mehta	-	(6,350)	-	-	(6,350)	-	(3,231)	-	-	(3,231)
	Other directors commission	-	(455)	-	-	(455)	-	(242)	-	-	(242)
	Trade receivables										
	Deepak Nitrite Ltd.	-	-	-	2,752	2,752	-	-	-	433	433
	Trade payables										
	Ishnaya Foundation	-	-	-	(2)	(2)	-	-	-	-	-
	Juris Corp Legal Service	-	-	-	(4)	(4)	-	-	-	-	-
	Deposits Receivables										
	Mr Sailesh Mehta	-	2,110	-	-	2,110	-	2,110	-	-	2,110
	Robust Marketing Services Private Limited	-	-	-	650	650	-	-	-	650	650
	Deposits Payables					-	-	-	-	-	-
	Deepak Nitrite Limited	-	-	-	(4)	(4)	-	-	-	(4)	(4)
	Corporate Guarantee Given										
	Deepak Nitrite Limited	-	-	-	(1,786)	(1,786)	-	-	-	(1,786)	(1,786)

Note : Figures in bracket are outflows.

Management is of the view that all transactions with related parties are in ordinary course and on an arm's length basis.

*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 100.95 Lakhs (31 March 2022 : ₹ 85 Lakhs). As the liability of Leave encashment and Gratuity is provided on Actuarial basis for Group as a whole, the said amounts are not included above.

Note : The Group has received Corporate Guarantee from M/s Yerrowda Investments Limited (YIL) (Refer note 21(viii) point no. 6)

**Includes ₹ 200 Lakhs paid as one time retention bonus on completion of four years as per terms of appointment.

All Transactions are in ordinary course and on an arm's length basis

(*) Includes transaction with enterprises over which relatives are able to exercise significant influence

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 42: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 March 2023	31 March 2022
A. Contingent liabilities		
Claims by suppliers not acknowledged as debts*	16,183	13,849
Income Tax Demands	60,330	6,612
Excise/Service Tax/Custom Demands#	5,441	5,444
Sales Tax/ VAT Demands/GST	9,788	8,892
Local Body Tax	2,141	2,141
Penalty on Entry Tax	1,551	1,551
Total	**95,434**	**38,489**
B. Capital commitments		
Related to Projects	51,741	1,05,129
Related to Realty	44	6
C. Other Commitments*		
Other Commitment	22,771	18,064
Total	**74,556**	**1,23,199**

includes ₹1,881 Lakhs (31 March 2022 : ₹1,881 Lakhs) which pertains to service tax liabilities. The Holding Company has received a favourable order from CESTAT against which the department has gone into appeal.

*During the previous year, the Holding company has received a letter of waiver from a supplier for offtake liability and consequently, the Holding company now has to complete its purchase obligation over a period of eight years.

Note 43: FOREIGN CURRENCY BALANCES OUTSTANDING

	31 March 2023		31 March 2022	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Hedged Position*				
Creditors (in USD)	1,164	95,679	1,118	84,821
Interest on borrowing (USD)	14	1,185	-	36
ECB Loan Borrowing	150	12,327	-	-
Buyers Credit (in USD)	101	8,278	-	-
Un-hedged Position				
Creditors (in USD)	3	298	3	233
Creditors (in EURO)	17	1,473	1	43
Interest accrued (in EURO)	-	-	-	-

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

	31 March 2023		31 March 2022	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Creditors (in GBP)	-	1	-	-
Borrowings and interest (USD)	-	-	131	9,950
Exports receivable (in USD)	(1)	(103)	(3)	(261)

less than ₹ 50,000/-

*The above transactions are hedged by following derivative contracts

Particulars	31 March 2023		31 March 2022	
	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)	Amount in Foreign Currency Lakhs	Equivalent Amount (in Lakhs)
Forward Contracts -USD	253	20,807	126	9,586
Options Contracts - USD	1,209	99,352	991	75,271
Forward Contracts -EURO	1	100	-	-
Total	**1,463**	**120,259**	**1,117**	**84,857**

The Group has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109 since these contracts do not meet the Hedge accounting requirements.

Unhedged Foreign Currency exposure is as under

Particulars	Amount in foreign currency	31 March 2023	Amount in foreign currency	31 March 2022
Payables and borrowings (including interest)	20	1,772	135	10,226
Receivables and bank balances	(1)	(103)	(3)	(261)

Note 44: Impact of Hedging activities

The Holding company is exposed to commodity price risk because the prices of its purchase of Propylene vary as a result of fluctuations of the natural gas liquid. So, the Holding company has used option contract to hedge its commodity i.e natural gas liquid. This natural gas liquid consists of propane and Butane which is formula linked to the prices of propylene.

For Hedges of this commodity purchases, the Holding company entered into a Hedge relationships where the critical terms of the Hedging instrument match exactly with the terms of the Hedge item. The Holding company therefore performs a qualitative assessment of effectiveness. There were no ineffectiveness during financial years ended 31 March 2023 amd 31 March 2022 in relation to commodity rate hedge.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

A. Disclosure of effects of Hedge accounting on Financial position:

As on 31 March 2023

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	**Units**	**Quantity**	**Asset**	**Liabilities**				
Propane	MT	0	-	-				
Butane	MT	0	-	-				

As on 31 March 2022

Type of Hedge and risk	Gross Notional amounts of Hedging instrument		Carrying amount of Hedging instrument		Maturity date	Hedge ratio	Weighted average strike price	
Cash flow Hedge- Commodity price risk	**Units**	**Quantity**	**Asset**	**Liabilities**				
Propane	MT	6000	1,006	-	30 June 2022	1:2.7	USD 605	USD 520
Butane	MT	9000	1,438	-	30 June 2022	1:2.7	USD 615	USD 530

B. Disclosure of effects of Hedge accounting on financial performance

Type of Hedge	Changes in the value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount recognised from Cash Flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash Flow Hedge				
Commodity rate risk 31 March 2023	74	-	1,431	Cost of material consumed
Commodity rate risk 31 March 2022	3,869	-	3,006	Cost of material consumed

C. Movement in cash Flow hedging reserve

Risk category	Commodity rate risk
Cash Flow Hedging reserve	
As at 1 April 2021	**370**
Add: Changes in fair value of commodity hedge contracts	3,869
Less: Amount reclassified to profit or loss	3,006
Less: Deferred tax relating to OCI gain	217
As at 31 March 2022	**1,016**
Add: Changes in fair value of commodity hedge contracts	74
Less: Amount reclassified to profit or loss	1,431
Less: Deferred tax relating to above	-342
As at 31 March 2023	**1**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 45: INCOME TAXES

A. Components of Income Tax Expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Tax expense recognised in the statement of profit and loss		
Current Tax		
Current tax on profits for the year	55,178	31,489
Total (A)	**55,178**	**31,489**
Deferred tax charge/(credit)	4,286	1,016
Total (B)	**4,286**	**1,016**
Total (A+B)	**59,464**	**32,505**
II. Tax on Other Comprehensive Income		
Deferred Tax		
Loss on remeasurement of defined benefit obligations	55	(11)
Gain on debt instruments through other comprehensive income	(342)	217
Total	**(287)**	**206**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2023 and 31 March 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	1,81,552	1,01,253
At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) (A)	**45,697**	**25,485**
Effects of non-deductible business expenses	5	106
Long term capital profit not subjected to income tax	-	-
Permanent adjustment of PPE Block	-	-
Impact on current and deferred tax of earlier years	-	-
Deferred tax recognized on reasonable certainty	1,845	(640)
Deferred tax asset reversal on Goodwill	-	-
Tax rate difference	13,654	7,254
Others	(1,737)	300
Total (B)	**13,767**	**7,020**
Income Tax expense reported in the statement of profit or loss (A+B)	**59,464**	**32,505**

Note 46

Pursuant to the provisions of Section 132 and 133A of the Income-tax Act, 1961, a Search Operation was conducted by the Income Tax Department during the period from 15 November 2018 to 21 November 2018. The Holding Company has received assessments orders and necessary appeals/rectification, as is applicable, have been filed which are pending for disposal. During the year, a material subsidiary company, Mahadhan AgriTech Limited [(MAL) (Formerly Smartchem Technologies Limited)] received the Income-tax assessment and demand Orders for the block period (Assessment Year 2013-2014 to Assessment Year

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

2019-2020) with net demands of ₹ 486 crores (including interest and net of consequential MAT credit available). MAL has filed appeal against the aforesaid Orders within stipulated time. An Independent tax expert, based on the facts and the legal position emerging from the various decisions post Supreme Court Judgement, has opined that the Company has a good arguable case before the appellate forum against the assessment orders passed by the Assessing Officer.

The Company, based on the expert opinion, various favourable judgements, and amendments in the Income tax Act, 1961, is of the view that this will not have any significant impact on the group's financial position and hence, no further provision has been recognised as on 31 March 2023.

Note 47: CONSOLIDATED SEGMENT REPORTING

Sr. No.	Particulars	31 March 2023	31 March 2022
1	Segment revenue		
	(a) Chemicals		
	Manufactured	6,32,802	4,36,389
	Traded	8,332	21,143
	Total	**6,41,134**	**4,57,532**
	(b) Fertilisers		
	Manufactured	3,88,881	2,52,548
	Traded	97,950	54,509
	Total	**4,86,831**	**3,07,057**
	(c) Realty	1,412	862
	(d) Others	692	878
	Total income from operations	**11,30,069**	**7,66,329**
2	Segment results [profit / (loss) before tax and finance costs from each segment]		
	(a) Chemicals	1,99,170	1,16,457
	(b) Fertilisers	35,875	29,023
	(c) Realty	(838)	(1,196)
	(d) Others	(135)	(68)
	Total	**2,34,072**	**1,44,216**
	Less: i) Finance costs	19,473	15,482
	ii) Other unallocable expenditure (net of unallocable income)	33,047	27,481
	Profit before share of profit/(loss) of associates and income tax	**1,81,552**	**1,01,253**
3	Segment assets		
	(a) Chemicals	6,17,203	4,99,294
	(b) Fertilisers	3,30,752	2,00,005
	(c) Realty	18,326	18,713
	(d) Unallocated	1,75,840	1,56,405
	Total assets	**11,42,121**	**8,74,417**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Sr. No.	Particulars	31 March 2023	31 March 2022
4	Segment liabilities		
	(a) Chemicals	3,25,805	2,38,131
	(b) Fertilisers	2,52,374	1,89,432
	(c) Realty	455	377
	(d) Unallocated	44,160	46,278
	Total liabilities	**6,22,794**	**4,74,218**

Segment information

1. Primary segment reporting (by business segments)

   Composition of business segment

Segment	Products covered
Chemicals	Ammonia, Methanol, Dilute nitric acid, Concentrated nitric acid, CO2, Technical ammonium nitrate, 'Iso-propyl alcohol, Propane, Bulk and Speciality Chemical.
Bulk Fertilisers	Nitro phosphate, Mutriate of potash, Diammonium phosphateAP, Ammonium Sulphate, Mixtures, Single super phosphate, Sulphur, Micronutrients, SSF, Bio Fertilisers.
Realty	Real Estate Business

Operations from "Windmill" does not meet the threshold defined in Ind AS 108 and therefore effective 1 April 2022, the group has discontinued its separate reporting. Accordingly, the figures of respective period have been regrouped.

2. Secondary Segment Information: There are no reportable geographical segments since the Group caters mainly to needs of Indian Markets.

Note 48

GAIL has claimed a sum of ₹ 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014 (inclusive of interest till 2016), alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the subsidiary company, Mahadhan Agritech Limited (MAL) (Foremerly known as Smartchem Technologies Limited) and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that MAL; as per the industrial license, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration.

Claims by GAIL were divided into two parts by MAL while challenging arbitration. Claim under Gas Sales and Transportation Agreement of 2006 is non-arbitrable. Similarly, the claim for the period from 2011 to 2013; are barred by limitation. Accepting MAL's stand, the Arbitration Tribunal has rejected the claims of GAIL vide orders dated 05.09.2017 and 13.12.2017. Thereafter GAIL filed Arb Appeal (COMM) NO. 3/2018 challenging the order dated 05.09.2017 and OMP (COMM) No. 31/2018 before Hon'ble Delhi High Court, which dismissed both the appeals vide its order dated 20.12.2018 and upheld the order of Arbitrator.

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Consequently, GAIL has preferred a Special Leave petition before the Hon'ble Supreme Court against dismissal of Arb Appeal (COMM) 3/2018 and also preferred an appeal before Divisional bench of Hon'ble Delhi High Court against dismissal of OMP (COMM) No 31/2018. Both the petitions are pending adjudication as at the reporting date.

Note 49

The management based on legal advise is confident that the demand of Entry Tax to the extent of 9.5% of the purchase price of the Natural Gas is revenue neutral since full set-off is available under the MVAT Act. The Holding company, therefore, had made a provision only of 3% of the demand amount including interest. The penalty on the same had been disclosed under contingent liabilities.

Note 50: TRANSACTIONS WITH STRUCK OFF COMPANIES

Group entity having transaction with struck of companies	Entity relation	Name of struck off company	Nature of transactions	Balance outstanding (₹ In Lakhs)	Relationship with struck off company
Deepak Fertilisers And Petrochemicals Corporation Limited	Holding Company	SM WATER TREATMENT PRIVATE LIMITED	Payable for Water treatment charges	0.36	Vendor
Mahadhan AgriTech Limited [(MAL) (Formerly Smartchem Technologies Limited)]	Wholly owned subsidiary	R K PROINFRA PRIVATE LIMITED	Recovery of GST Credit and interest thereon	1.34	Vendor

Note 51 : ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Statement of Net Assets and Profit or Loss Attributable to Owners and Non-controlling Interests

For the year ended 31 march 2023

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	58%	2,99,487	24%	29,134	87%	(965)	23%	28,169
Subsidiaries								
Indian								
Mahadhan AgriTech Limited [(MAL) (Formerly Smartchem Technologies Limited)]	80%	4,15,831	17%	87,255	-6%	66	72%	87,321
Deepak Mining Services Private Limited	0%	(55)	0%	(3)	0%	-	0%	(3)
SCM Fertichem Limited	0%	1	0%	80	0%	-	0%	80
Ishanya Brand Services Limited	0%	90	0%	(162)	0%	-	0%	(162)

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Performance Chemiserve Limited	33%	1,73,205	0%	621	0%	-	1%	621
Mahadhan Farm Technologies Private Limited	0%	330	0%	96	0%	-	0%	96
Ishanya Realty Corporation Limited	0%	1	0%	(1)	0%	-	0%	(1)
Foreign								
Deepak Nitrochem Pty Limited	0%	24	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited (Consolidated)	2%	9,046	1%	2,981	19%	(216)	2%	2,765
	115%	5,98,473	17%	90,866	13%	(150)	75%	90,716
Non-controlling interests in all subsidiaries	2%	12,627	1%	1,078	7%	(76)	1%	1,002
Adjustment arising out of Consolidation	-75%	(391,260)	58%	1,010	-7%	76	1%	1,086
Total after elimination on account of consolidation	**100%**	**5,19,327**	**100%**	**1,22,088**	**100%**	**(1,115)**	**100%**	**1,20,973**

For the year ended 31 March 2022

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Parent								
Deepak Fertilisers And Petrochemicals Corporation Limited	68%	2,72,667	29%	19,778	83%	671	29%	20,449
Subsidiaries								
Indian								
Smartchem Technologies Limited	82%	3,28,356	11%	44,404	-4%	(36)	64%	44,368
Deepak Mining Services Private Limited	0%	(51)	0%	(2)	0%	-	0%	(2)
SCM Fertichem Limited	0%	(79)	0%	8	0%	-	0%	8
Ishanya Brand Services Limited	0%	252	0%	(1)	0%	-	0%	(1)
Performance Chemiserve Limited	35%	1,41,924	0%	513	0%	-	1%	513
Mahadhan Farm Technologies Private Limited	0%	234	0%	229	0%	-	0%	229

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to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Name of Entities	Net Assets		Share in profit or loss		Other comprehensive income (OCI)		Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive Income	Amount
Foreign								
Deepak Nitrochem Pty Limited	0%	26	0%	(1)	0%	-	0%	(1)
Platinum Blasting Services Pty Limited	2%	7,684	0%	1,643	14%	110	3%	1,753
	120%	4,78,346	12%	46,793	9%	74	67%	46,867
Non-controlling interests in all subsidiaries	3%	11,777	1%	921	7%	59	1%	980
Adjustment arising out of Consolidation	-91%	(3,62,591)	58%	1,256	0%	-	2%	1,256
Total after elimination on account of consolidation	**100%**	**4,00,199**	**100%**	**68,748**	**100%**	**804**	**100%**	**69,552**

Note 52 : GROUP INFORMATIONS:

Particulars of subsidiaries and joint operation which have been considered in the preparation of the Consolidated Financial Statements:

For the year ended 31 March 2023

	Country of incorporation	Nature of business	% Equity interest	
			31 March 2023	31 March 2022
Subsidiaries				
Direct				
Mahadhan AgriTech Limited [(MAL) (Formerly Smartchem Technologies Limited)]	India	Manufacturing and Trading	100.00	100.00
Deepak Mining Services Private Limited	India	Services	100.00	100.00
Deepak Nitrochem Pty Limited	Australia	Services	100.00	100.00
SCM Fertichem Limited	India	Farm and Trading	100.00	100.00
Ishanya Brand Services Limited	India	Trading	100.00	100.00
Ishanya Realty Corporation Limited	India	Sale of Engineering omponents & Allied Activities.	100.00	49.99
Indirect				
Platinum Blasting Services Pty Limited	Australia	Services	65.00	65.00
Performance Chemiserve Limited	India	Manufacturing	94.40	93.43
Australian Mining Explosives Pty Ltd	Australia	Services	65.00	65.00
Mahadhan Farm Technologies Private Limited	India	Manufacturing and Trading	100.00	100.00
Entity with joint control				
Yerrowda Investments Limited	India	Realty	85.00	85.00

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

The Group had not consolidated its associate, Ishanya Realty Corporation Limited for the year ended 31st March 2022 in which it was holding 49.99% (₹ 5 lakhs) as it had not started its operations yet and did not have any material impact on the consolidated financial statements.

During the year Ishanya Realty Corporation Limited has become wholly owned subsidiary company and included in consolidated financial statements.

Material partly owned subsidiaries:

Following is the summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations:

Proportion of equity interest held by non-controlling interests (NCI):

Name	Country of operation	31-Mar-23	31-Mar-22
Platinum Blasting Services Pty Ltd	Australia	35.00%	35.00%
Performance Chemiserve Limited	India	5.60%	6.57%

Summarised Balance Sheet

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Non current assets	12,558	11,057	3,66,737	2,48,124
Current assets	14,234	8,928	11,715	21,345
Total assets	**26,792**	**19,985**	**3,78,452**	**2,69,469**
Non current liabilities	6,302	3,765	1,96,782	1,11,396
Current liabilities	11,444	8,535	8,465	16,148
Total liabilities	**17,746**	**12,300**	**2,05,247**	**1,27,544**
Net assets	**9,046**	**7,685**	**1,73,205**	**1,41,925**
Accumulated NCI	**3,166**	**2,690**	**9,461**	**9,087**

Summarised Statement of Profit and Loss

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue from operations	50,454	38,495	704	470
Profit for the year	2,981	2,529	621	548
Other comprehensive income	(216)	169	-	-
Total comprehensive income	2,765	2,698	621	548
Total comprehensive income allocated to NCI	967	944	35	36
Dividend paid to NCI	491	437	-	-

Notes

to the Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Summarised statement of cashflows

Particulars	Platinum Blasting Services Pty Ltd (Consolidated)		Performance Chemiserve Limited	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Cash flow from operating activities	4,626	5,073	(808)	(102)
Cash flow from investing activities	(3,196)	(1,162)	(97,609)	(77,282)
Cash flow from financing activities	(1,396)	(6,079)	98,979	79,565

Note 53

Previous period's figures have been reclassified/ regrouped wherever necessary.

Notes 3 to 53 form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 17 May 2023

For and on behalf of Board of Directors of Deepak Fertilisers And Petrochemicals Corporation Limited

S. C. Mehta
Chairman and Managing Director
DIN: 00128204

Amitabh Bhargava
President & CFO

P.S. Bhattacharyya
Director
DIN: 00329479

Gaurav Munoli
Company Secretary
Membership No: A24931

Place: Pune
Date: 17 May 2023

LEADERSHIP TEAM

S. C. Mehta
Chairman &
Managing Director

Yeshil Mehta
Executive Director –
Crop Nutrition Business

Amitabh Bhargava
President – Finance & CFO

Arun Vijayakumar
President – Projects

Debasish Banerjee
President – Strategic Projects

Deepak Rastogi
President - Strategy and
Transformation

Mahesh M.
CEO - Creaticity

Mukul Agrawal
President – Manufacturing

Naresh Kumar Pinisetti
President – Corporate
Governance

Pandurang Landge
President – Commercial &
Strategic Growth

Romy Sahay
President – Human
Resource

Samir Biswas
President – Corporate Affairs

Shanmugananth M
President – Industrial Chemicals

Tarun Sinha
President – Technical
Ammonium Nitrate

COMPANY INFORMATION

C. K. MEHTA
Chairman Emeritus
(Upto 3rd July, 2023)

BOARD OF DIRECTORS
S. C. Mehta
Chairman & Managing Director

Parul S. Mehta
Non-Executive Woman Director

M. P. Shinde
Non-Executive
Non-Independent Director

Partha Bhattacharyya
Independent Director

Ashok Kumar Purwaha
Independent Director
(Upto 6th July, 2022)

Bhuwan Chandra Tripathi
Independent Director

Sujal Shah
Independent Director

Varsha Purandare
Independent Woman Director

Jayesh Shah
Independent Director

Sanjay Gupta
Independent Director
(w.e.f. 2nd February, 2023)

Sitaram Kunte
Independent Director
(w.e.f. 2nd February, 2023)

Terje Bakken
Independent Director
(w.e.f. 20th February, 2023)

COMPANY SECRETARY AND COMPLIANCE OFFICER
Ritesh Chaudhry
Vice President & Head - Legal & Secretarial & Company Secretary
(Upto 31st March, 2023)

Gaurav Munoli
Company Secretary
(w.e.f. 1st April, 2023)

BANKERS
Bank of Baroda
Kotak Mahindra Bank Ltd
IDFC FIRST Bank Ltd
AXIS Bank Ltd
HDFC Bank Ltd
State Bank of India
Bank of India
INDUSIND Bank Ltd
IDBI Bank Ltd
EMIRATES NBD Bank
EXPORT IMPORT Bank of India
Punjab National Bank
Union Bank of India
Canara Bank
Standard Chartered Bank
South Indian Bank
Asian Development Bank
International Finance Corporation

LEGAL ADVISORS
Zeus Law Associates
H&Co. Legal
Lakshmi Kumaran & Sridharan
Argus Partners
Dentons Link Legal
Juris Corp.

AUDITORS
P G BHAGWAT LLP
Chartered Accountants

SECRETARIAL AUDITOR
SVD & Associates
Company Secretaries

COST AUDITOR
Harshad S. Deshpande & Associates
Cost Accountants

INTERNAL AUDITOR
Ernst & Young LLP

REGISTERED AND CORPORATE OFFICE
Sai Hira, Survey No. 93, Mundhwa,
Pune - 411 036, Maharashtra.
CIN: L24121MH1979PLC021360
E-mail: investorgrievance@dfpcl.com
Website: www.dfpcl.com
Phone: +91 20 6645 8000

PLANTS:
Plot K1, K7-K8, E-31, MIDC Industrial Area, Taloja, A.V. – 410 208,
District Raigad, Maharashtra

Village Ponnada, Etcherla
Mandalam, Srikakulam – 532 408,
Andhra Pradesh

Plot No. 47, HSIIDC Industrial
Estate, Refinery Road,
Panipat – 132 140, Haryana.

Plot No. D - II / 7A, Dahej GIDC
Industrial Estate, Village Rahiyad,
Taluka Vagra,
District Bharuch – 392 130,
Gujarat.

INDUSTRIAL/PHARMA
CHEMICALS

MINING
CHEMICALS

CROP
NUTRITION

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036,
Maharashtra, India. CIN: L24121MH1979PLC021360

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