IPL

INDIAN POTASH LIMITED

66th ANNUAL REPORT 2020-21

- IPL FERTILISERS
- IPL DAIRY & FEEDS DIVISION
- IPL SUGAR & DISTILLERIES

66TH ANNUAL REPORT
2020 - 21

IPL

INDIAN POTASH LIMITED

REGISTERED OFFICE :

1st FLOOR, SEETHAKATHI BUSINESS CENTRE,
684 - 690, ANNA SALAI, CHENNAI - 600 006.
TELEPHONE : 044 -28297855
FAX : 044 -28297407

BOARD OF DIRECTORS


SHRI. SUNDEEP KUMAR NAYAK, IAS
Chairman

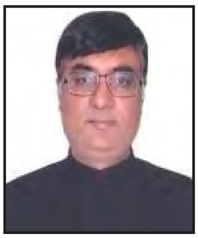

Dr. U.S. AWASTHI


SHRI. B.S. NAKAI


SHRI. P.C. MUNSHI


SHRI. DILEEP SANGHANI


SHRI. S.C.MUDGERIKAR


SHRI. MUKESH PURI, IAS

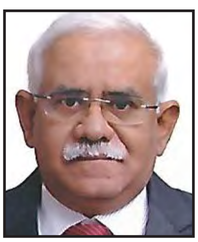

SHRI. SANTOSH KUMAR DASH, OAS (S)

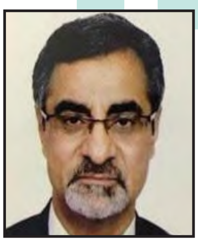

SHRI. M.MURUGAN


SHRI. SHIVAKUMAR GOUDA PATIL


Dr. SUNIL KUMAR SINGH


SHRI. DUSMANTA KUMAR BEHERA, IAS


SHRI. SUDHIR BHARGAVA


SHRI. ARVIND KUMAR KADYAN


Ms. VANDANA CHANANA


Dr. P.S.GAHLAUT
Managing Director

BANKERS

STATE BANK OF INDIA

HDFC BANK LTD

BANK OF BARODA

PUNJAB NATIONAL BANK

IDBI BANK LTD

ICICI BANK LIMITED

CANARA BANK

AXIS BANK LTD

INDIAN BANK

INDUSIND BANK LTD

DBS BANK LTD

DEUTSCHE BANK AG

AUDITORS

Messrs. Price Waterhouse Chartered Accountants LLP

Dear Shareholders,

DIRECTORS' REPORT

The Directors have pleasure in presenting their 66th Annual Report along with audited accounts of the Company for the year ended 31st March, 2021.

GENERAL

India received 158.5 mm rainfall during pre-monsoon 2020 season, which was 20% above the normal rainfall figure of 131.7 mm. 13 states got Large Excess (over 60% above LPA rains), 2 states received Excess (20-59% above LPA), 10 states got Normal (+/- 19% of LPA), 7 states got deficit rains (20-59% below LPA), 2 states got Large Deficit (over 60% below LPA) and 2 states got no rains.

During South-west monsoon, India received 957.6 mm rainfall which was 9% higher than the normal rainfall of 880.6 mm. Among the four broad geographical regions, seen against LPA, the rainfall has been higher by 15% in Central India, 6% higher in East & Northeast India and 30% higher in South Peninsula whereas it was lower by 16% in Northwest India. Out of 36 metrological subdivisions in the country rainfall received was normal in 16 subdivisions, excess in 13 subdivisions, large excess in 2 subdivisions and deficient rainfall in 5 subdivisions.

Cumulative rainfall post monsoon season i.e. from 1st October 2020 to 31st December 2020 has been 1% higher than the Long Period Average (LPA). Among the four broad geographical divisions, seen against the LPA , the rainfall has been higher by 15% in South Peninsula and 12% in Central India whereas it is lower by 39% in North West India and lower by 15% in East & North East India. Out of 36 MET sub-divisions in the country, rainfall received has been large excess/excess in 11 met sub-divisions, normal in 09 sub-divisions, deficient/large deficient in 16 sub-divisions.

The On-time arrival of south-west monsoon followed by a quick spread across the region has resulted in higher sowing , improved and higher reservoir levels thus augmenting an increase in demand for fertilisers and thereby increased consumption and improved sales performance.

The live storage in 128 major reservoirs as on 31st March 2021was 71.85 Billion Cubic Metre (BCM), which is 84% of total live storage of corresponding period of last year of 85.92 BCM and 123% of storage of average of last 10 years of 58.498 BCM .

The demand outlook for the fertilizer sector remained positive for the rabi season as the volume for the current rabi season remained healthy and the fertilizer offtake was well supported by healthy growth in the rabi sowing.

SALES

Vibrancy of rural demand and markets has been very promising despite the coronavirus pandemic and macro economic uncertainty which has translated in improving the underlying macros for the Indian Fertiliser industry . Agriculture has been a bright spot and has grown backed by a bumper Rabi harvest and good monsoon during Kharif season. With surplus reservoir levels as afore said, record high kharif crop sowing and plentiful rainfall during the monsoon season, demand for the sale of fertilisers has been promising throughout the year under review .

The sales through point of sales (POS) is now a real indicator of actual fertilizer consumption .

The All India sales of urea during the year 2020-21 have shown a growth of 4% (corresponding previous year 5.3%) despite steps like neem coating and reduction of bag size from 50 Kg. to 45 Kg. which were expected to limit the excessive use of urea in some parts of the country. The All India sales of DAP, MOP and Complexes were also up by 17.9% , 22.9% and 19.8% as compared to the previous year growth of 15.6% , 1.9% and 9% respectively.

While urea sales of your company is dependent on total imports by Department of Fertilisers (DOF), it is the sale of DAP and MOP which are de-controlled fertilisers and are more relevant for bench marking the performance of the Company.

The sales through point of sales (POS) for the company during the year under review for Urea is higher by 51.1% , for DAP by 45.5% , for MOP by 28% and for complexes by 138% as compared to the previous year growth figures for Urea of

69% , DAP of 4% and de-growth for MOP of 8% and complexes of 22% .

Initially in the start of the current financial year 2020-21, panic buying by farmers and dealers coupled with lower international prices particularly of MOP had led to increase in sales of fertilisers. Farmers were stocking up fertilisers for the then kharif season and were gradually building up stocks for Rabi season in order to avoid any logistical issues which could have been faced due to covid-19 pandemic. Also momentum in sales has been sustained due to a favourable monsoon season and brisk rabi sowing undertaken during the winter months.

The other highlights were imports of urea was higher during October – December 2020 as the quantity position was tight in Kharif season and in order to avoid any shortage in Rabi season 2020-21, the Government of India purchased Urea in advance and hence a good performance on Urea sales by your company. The import of MOP was also higher as the contracts of overseas suppliers were concluding on end December 2020.

The fertilizer industry also witnessed a spurt increase in international prices of DAP from end of October 2020 and this has led to your company in lowering the imports of DAP and for bridging the gap of phosphatic fertilizer, imported higher quantities of complex fertilisers. Hence, the company is able to achieve an impressive sales performance on complex front.

While Fertiliser demand and consumption has increased during the Covid-19 pandemic situation, demand for Sugar, milk and cattle feed has been badly hit in April – September 2020 because of sharp reduction in the production of ice-creams, bakery products, cold desserts, absence of street tea vendors, cultured products, migration of labour etc. However, the fall in domestic demand is partially made good by stepping up of exports .

Likewise, cattle feed offtake by the milk farmers were also impacted due to sharp demand recession in milk and milk products.

FINANCIAL RESULTS FOR THE YEAR 2020-21

Financial Summary

Particulars	Amount in (Rs.Lakhs)	Amount in (Rs. Lakhs)
	FY 2020-21	FY 2019-20 (After Amalgamation)
Total Income	16,58,109.43	14,69,609.94
Total Expenses	15,82,114.87	14,16,859.42
Profit/(Loss) Before Tax (PBT) , Finance cost and Depreciation	**96,223.17**	**83,368.60**
Less: Finance Costs	15,112.62	25,387.42
Less: Depreciation and Amortization Expenses	5,115.99	5,230.66
Profit/(Loss) Before Tax	**75,994.56**	**52,750.52**
Current Tax	19,291.51	14,718.01
Deferred Tax	(304.16)	3,333.10
Net Profit/(Loss) (PAT)	**57,007.21**	**34,699.41**
Less: Proposed Dividend and Tax thereon	714.93	517.13
Balance carried to Balance Sheet	**56,292.28**	**34,182.28**

The total volume sales of all products at 7.8 million tonnes shows a healthy 26% (approx.) growth over 6.2 million tonnes clocked during the previous year ending 31st March, 2020.

The total income of the Company during FY 2020-21 at Rs.16,581.09 crores shows a growth of 13% compared to turnover of Rs.14,696.10 crores for the previous year. The turnover of FY 2020-21 is highest in last 8 years. The growth in income is entirely due to higher volume sales as the per tonne realization during the year had gone down due to subsidy reduction of Rs.604 per tonne with effect from 1.4.2020 and two MRP reductions of MOP – Rs.1,500/- per tonne from May 2020 and Rs.500/- per tonne effective November 2020. There were small reductions in the subsidy of DAP also (Rs. 171/- per tonne) and in NPKs (ranging from Rs.100 to 300/- per tonne).

The Profit Before Tax (PBT) stands at Rs.759.95 crores which shows a healthy growth of 44% over the previous year which stood at Rs.527.51 crores. It is also pertinent to mention that this is the highest ever PBT since the inception of the

Company and it betters the previous highest PBT of Rs.661.35 crores achieved in the year 2010-11 by 15%.

The Profit After Tax (PAT) at Rs.570.07 crores shows a robust 64.29% growth over last year PAT of Rs.346.99 crores. The PAT number too is highest ever and is an improvement of 51.74% over the previous best PAT of Rs.375.76 crores achieved in 2010-11.

It is also pertinent to bring to the attention of Members the following factors which had a bearing on the profitability of the Company:

1. The sales growth in the competitive market of MOP, DAP and Complex fertilisers, which are all decanalised and decontrolled fertilisers, has been possible only because of our economical sourcing, efficient logistics and smart marketing.
2. Relative stability in forex market and timely action in purchase of forex resulted in forex gain of Rs.159.34 crores. This gain in forex is also attributable to the fact that we had highest ever export of Sugar at 91,000 MTs during the year which acted as a natural hedge.
3. Finance costs have been reduced by Rs.102 crores during the year due to judicious borrowings and optimal utilization of surplus funds. We were also helped by timely payment of subsidies compared to the earlier years though there still are substantial amounts recoverable towards freight and other miscellaneous heads.
4. The Company always carefully monitors / controls the operational costs, selling expenses as well as administrative expenses and aligns them to the sales volume.
5. Despite impact of Covid-19, the Company managed to improve in Sugar Division its capacity utilization to 87.5% as against Industry average of 83.5% by taking extensive anti-Covid protections. It is a matter of gratification that we did not have any causality in Sugar Division despite employing more than 4,000 persons both regular and seasonal during crushing season.
6. The sales of Dairy products, however, remained subdued during the year because of reduced demand for milk products going into production of sweets, ice-creams and confectionary etc.

   The profit of the Company would have been still higher but for subsidy reduction impact on the stocks already pre-positioned. The reduction in MRP of MOP triggered demands for price protection of stocks and impact of Rs.48 crores and Rs.98 crores respectively has been appropriately considered in the financial statements.

The credit rating agencies - M/s ICRA and M/s India Ratings have enhanced their rating outlook from A1+ to AA- stable for long-term and re-affirmed A1+ for short-term borrowings. This should help us in accessing funds at somewhat lower rates as and when required.

The Company's internal control systems commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

Bio-Refinery project

Your Company has successfully passed the trial operations of both distillery and Bio-cng operations which has come in the State of Uttarpradesh . Recently , we also had our Bio-CNG plant dedicated to the nation under Ujwala scheme by the Chief Minister of Uttar Pradesh in the august presence of Union Minister of Petroleum and Natural Gas on virtual platform. Distillery project is in the final stages of commercial operations and is expected to go live after statutory approvals in place.

EXTENSION & PROMOTION ACTIVITIES CONDUCTED DURING 2020-21

We have always been making our strenuous efforts for promoting balanced fertilization to achieve the ideal NPK use ratio of 4:2:1. To achieve that, we conduct a large number of field oriented activities and intensive promotional campaigns to educate the farmers on best management practices to increase fertilizer use efficiency and crop productivity under IPL and collaborative projects.

Under IPL Extension & Promotion budget, we have laid out 113 Crops demonstrations, conducted 38 numbers of Field days. We have organized 44 Sales campaigns, 99 Farmers meetings, 12 Crop seminars and 12 numbers of Dealer's training programs. We have also participated in 9 Agri fair/ Exhibitions. We have done 29,925 sq. ft. of Wall/Trolley paintings in rural areas. Apart from this, we have also done 550 audio-visual programs through which we have educated farmers about balanced fertilization with special reference to role of potash in crop production. We have also distributed promotional literatures like Potash Folder, Maize Folder, Wheat Folder, Mustard Folder, Sugarcane Folder, Vegetable Folder, Banana Leaflet, General Recommendation of Fertilizer Leaflet, Cotton Leaflet, Groundnut Leaflet, City Compost Leaflet, Wheat Leaflet, Potato Leaflet, DAP Folder, NPK 16:16:16 Folder, Polyhalite Leaflet, NPS 20-20-0-13 Folder, NPS 20-20-0-13 Pocket Diary in hindi and vernacular languages to the farmers during Agri Exhibitions, A.V. Show, Farmers Meeting and Crop Seminars etc. These promotional measures are an integral part of the Company's initiative to reach out to farmer community at large.

ICPPP: (INDO CANADIAN POTASH PROMOTION PROJECT)

It was a bad year for conducting extension and promotion activities due to the prevailing Covid 19 situation throughout the country. However, under such trying conditions, our teams of dedicated and highly motivated extension staff did more than they could normally do and tried to achieve almost near to that of the normal year.

This ICPPP project has been continuing since 2015-16 and is being implemented in 5 states: Odisha, Haryana, Rajasthan, Gujarat, and Tamil Nadu. During the year 2020-21, a large number of field activities were undertaken in all the 5 states and we had laid out 527 crop demonstrations, conducted 94 Field days, organized 84 Farmer's meetings, 16 nos. of Sales campaigns, 14 Crop Seminars, 15 Dealers/Retailers Training Programmes and also done 1,09, 680 sq. ft. of Wall paintings. We have spent around Rs.1.81 crores out of Rs.1.85 crores budgeted.

POTASH FOR LIFE

This project has been continuing since October 2013 and has been phased over 7 years and being implemented in 11 states: West Bengal, Bihar, Uttar Pradesh, Jammu&Kashmir, Madhya Pradesh, Maharashtra, Chhattisgarh, Andhra Pradesh, Punjab, Telangana and Karnataka with budgetary outlay of Rs.6.00 crores per annum to educate the farmers to correct the imbalanced use of fertilizers. During the last year, activities were also taken up in Haryana state as we had to discontinue the activities in the state of Jammu&Kashmir due to the prevalent conditions there. During the year, we faced tough times due to the Covid 19 condition in the country. However, it is highly satisfactory to note that our PFL extension teams put in extra efforts and achieved almost similar numbers and results as that of the last year. During the year 2020-21, we had laid out 932 Field Demonstrations, conducted 117 Field days, 116 Farmers meetings, organized 39 Potash campaigns, 48 Crop seminars, 1,83,800 sq. ft. of Wall painting and 18 dealers training programs etc.

PROSPECTS FOR 2021-22

Rural demand and markets has been buoyed and very promising despite the coronavirus pandemic and macro economic situation and its related uncertainty. This has translated in improving the underlying macros for the Indian fertilizer industry in general and your company in particular.

Agriculture operations have been well placed and is expected to grow with IMD forecasting normal monsoon for Fiscal year 2021-22 and expected to have bumper harvest in both Kharif and Rabi season.

With the rollout of COVID vaccination program extending to all ages, in the coming months, we expect the economic activities to normalize during Fiscal year 2021-22.

With forecast of normal monsoons, it will result in moisture levels being healthy and rising water levels in reservoirs. This situation will lead to acreage being favourable as well. From this standpoint, we expect the consumption and growth in demand to continue.

However, the credit metrics of the industry is expected to remain subdued given the continued delay in the subsidy disbursement by the government. Time and again, fertilizer industry is facing issues regarding inadequate subsidy provisioning thereby leading to subsidy backlog and impacting the liquidity position of the company.

We expect international prices to reach soaring high as availability of fertilisers especially DAP will become inadequate to meet growing demand and also in the backdrop of China curtailing their export to meet their domestic demand since unlike India, their agriculture output suffered very badly in the last lockdown. Further, in order to ensure continuous availability of fertilisers to the farmers, the government may also push the industries for increasing importation even at higher cost and not revise the selling price. This is expected to have a negative impact to the company once the situation is formalized.

The company's financial profile will despite above situation and uncertainties will witness improvement, aided by its leading market position in Muriate of Potash (MOP) and Di-ammonium phosphate (DAP) fertilizer segments and healthy demand prospects for Potassic and Phosphatic fertilizer (P&K) volumes in India amidst tight competition.

The Company is expected to reap the benefits of diversification benefits from investments done in Sugar Division with addition of Distillery and Bio-CNG capacity . The Sugar division is expected to perform well in 2021-22. The combined Bio-refinery project going onstream live is expected to add to both sales value and the profits.

The Cattle Feed/Dairy Division has been generating profits on steady basis for the Company on every year and we hope to continue the same in 2021-22 as well.

SHARE CAPITAL

The Authorised Share Capital of the Company stands at Rs. 6,120 lakhs. The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2021 is Rs.2,859.72 Lakhs comprising of 2,85,97,200 Equity Shares of Rs.10 each. There was no change in the issued, subscribed and fully paid up share capital of the Company during the year under review.

DIVIDEND

Considering the current performance of your company during the year and challenges ahead for 2021 - 22, your Directors recommend a Dividend of Rs. 4/- per Equity Share of Rs.10/- each. This dividend is subject to the approval of shareholders.

DETAILS OF SUBSIDIARIES COMPANIES

Pursuant to provisions of Section 129(3) of the Act together with Rule 8 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available for inspection at the registered office of the Company.

Pursuant to Section 233 of the Companies Act, 2013 and rules made thereunder, further to your company's application for amalgamation of its subsidiary companies after Board and the shareholder's approval, the Regional Director attached to the Ministry of Corporate Affairs, approved the scheme of amalgamation of M/s. Goldline Milkfood and Allied Industries Limited, M/s. IPL Gujarat Port Limited and M/s. Sri Krishna Fertilisers Limited (Transferor companies) with the Company with the effective date as 1st April 2019.

DEPOSIT

The company did not invite or accept any deposit from public during the period under report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

BOARD OF DIRECTORS

Following were the changes in the position of Directors of the Company during the financial year 2020-21:

- Shri Dusmanta Kumar Behera, IAS, Managing Director, M/s. Haryana Federation is appointed as a Nominee Director in the place of Shri Amarjit Singh Samra.
- Dr. Sunil Kumar Singh, Chairman of M/s. Bihar State Co-operative Marketing Union Limited is appointed as a Nominee Director in the place of Ms. Swati Meena Naik, IAS.
- Shri. Mukesh Puri, IAS, Managing Director, M/s. Gujarat State Fertiliser and Chemicals Limited (GSFC) is appointed as a Nominee Director in the place of Shri. Arvind Agarwal, IAS.
- The term of appointment of following Independent Directors ceased with effect from 31st August, 2020 :

  Mrs. Reena Kaishing (Independent and Woman Director)

  Mr. Devinder Kumar (Independent Director)

  Mr. Balvinder Singh Nakai (Independent Director)

The Board is pleased to place on record the valuable services rendered by Shri. Amarjith Singh Samra, Shri. Arvind Agarwal, IAS and Ms. Swati Meena Naik, IAS during their tenure as Director of the Company and Shri. Devinder Kumar, Shri. Balvinder Singh Nakai and Ms. Reena Kaishing during their tenure as Independent Directors of the Company. The Board also extends a warm welcome to the Directors who have come on Board during the current year under review.

The Company could not appoint Independent Directors replacing the above named Independent Directors and also our efforts to get the extension of their term not fructified in time because of Covid related restrictions and lockdown etc. which disrupted normal and regular working in offices. The composition of the Board of Directors as on 31st March, 2021 was not in compliance with the provisions of the Act and rules made thereunder.

The Company has since complied with the Board composition as detailed below under "events after Balance sheet date".

Directors liable to retire by rotation

In accordance with the Company's Articles of Association read with Section 152 of the Companies Act, 2013, the following Directors will retire by rotation at the forthcoming Annual General Meeting of the Company:

1. Shri. Sundeep Kumar Nayak
2. Dr. Sunil Kumar Singh
3. Shri. S. C. Mudgerikar

All of them are eligible for re-appointment and have offered themselves for re-appointment.

Events after Balance Sheet Date

The Company has since re-constituted the Board with the appointment of 3 Additional Directors (in the category of Non-Executive Independent Director) including one Woman Independent Director subject to approval of shareholders in the general meeting in its meeting held on 10th August, 2021 and has complied with the provisions of the Companies Act and the rules framed thereunder in this regard the details of which are given below:-

- Shri. Sudhir Bhargava was appointed as an Additional Director in the category of Non-Executive Independent Director not liable to retire by rotation, to hold office for a period of 5 years effective from 3rd August, 2021 subject to the approval of the shareholders in general meeting and who shall hold office upto the date of ensuing Annual General Meeting or the last date on which ensuing Annual General Meeting should have been held whichever is earlier.

- Shri. Arvind Kumar Kadyan was appointed as an Additional Director in the category of Non-Executive Independent Director not liable to retire by rotation, to hold office for a period of 5 years effective from 3rd August, 2021, subject to the approval of the shareholders in general meeting and who shall hold office upto the date of ensuing Annual General Meeting or the last date on which ensuing Annual General Meeting should have been held whichever is earlier.
- Ms. Vandana Chanana is appointed as an Additional Director in the category of Non-Executive Woman Independent Director not liable to retire by rotation, to hold office for a period of 5 years effective from 10th August , 2021 subject to the approval of the shareholders in general meeting and who shall hold office upto the date of ensuing Annual General Meeting or the last date on which ensuing Annual General Meeting should have been held whichever is earlier.

Shri. Balvinder Singh Nakai was appointed as a nominee Director representing M/s. Indian Farmers Fertiliser Co-operative Limited (IFFCO) with effect from 29th July, 2021.

The Independent Directors, Shri. Sudhir Bhargava, Shri. Arvind Kumar Kadyan and Ms. Vandana Chanana have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel

The following are the Key Managerial Personnel of the Company:

Dr. P. S. Gahlaut, Managing Director

Shri. R. Srinivasan, Chief Financial Officer

Shri. Rajesh Kumar Sadangi, Company Secretary (Since resigned with effect from 1st March 2021)

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met four (4) times during the FY 2020-21 through video conference held in accordance with the circulars issued by the Ministry of Corporate affairs viz. 28th May 2020, 8th September 2020, 28th October 2020 and 11th February, 2021. Extra-ordinary General Meeting was held on 24th June, 2020.

AUDIT COMMITTEE

Pursuant to the provisions under Section 177 of the Companies Act, 2013, the Audit Committee last met on 26th May 2020, which was attended by all the members of the Committee.

The terms of reference of Audit Committee is as per the provisions of the Companies Act 2013 and rules made thereunder.

Shri. Devinder Kumar, Independent Director was a member of Audit Committee of the Board whose term of office ceased on 31st August, 2020.

Accordingly, the composition of Audit Committee as on 31st March, 2021 was not constituted in compliance of the requirements of the Act and rules made thereunder due to the cessation of the term of Independent Directors with effect from 31st August, 2020 during the year under review.

However, following the appointment of three independent directors as indicated above the Company has re-constituted Audit Committee which is in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board ("NRC") met on 22nd May, 2020, 12th October, 2020 and 26th March, 2021 which was attended by all the members of the Committee.

The terms of reference of NRC is as per the provisions of the Companies Act 2013 and rules made thereunder.

Shri. Devinder Kumar, Independent Director was a member of NRC whose term of office ceased on 31st August, 2020.

The composition of NRC as on 31st March, 2021 was not constituted in compliance of the requirements of the Act and rules made thereunder due to the cessation of the term of Independent Directors with effect from 31st August, 2020 during the year under review.

However, following the appointment of three independent directors as indicated above the Company has re-constituted Nomination and Remuneration committee which is in compliance with the provisions of the Companies Act , 2013 and the rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with CSR Rules, the CSR committee of the Board met on 3rd July, 2020 and 22nd February, 2021 which was attended by all the members of the Committee.

Ms. Reena Kaishing, Independent Woman Director was a member of CSR Committee whose term of office ceased on 31st August, 2020.

The terms of reference of CSR is as per the provisions of the Companies Act 2013 and rules made thereunder. As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the areas of Eradicating hunger, poverty and malnutrition, promoting and preventing health care, Employment enhancing vocation skill, livelihood enhancement projects, promoting education, ensuring environmental sustainability and health and hygiene, digitalisation of education at village level schools. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

Towards our initiative to help corona patients and also in our endeavour to participate in the government actions towards controlling covid 19 pandemic, the company has supplied 5 Medical Oxygen generation plant to 5 hospitals based in the State of UttarPradesh.

Details of CSR Policy and CSR activities undertaken during the year are annexed to this Report as **Annexure 1.**

The composition of CSR committee as on 31st March, 2021 was not constituted in compliance of the requirements of the Act and rules made thereunder due to the cessation of the term of Independent Directors with effect from 31st August, 2020 during the year under review.

However, following the appointment of three independent directors as indicated above the Company has re-constituted CSR committee which is in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

A detailed report regarding Corporate Social Responsibility is annexed to and forms part of this report.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013 and the Rules framed thereunder M/s. Price Waterhouse Chartered Accountants LLP, Firm's Registration No. 012754N/N500016 were appointed as the Statutory Auditor of the company for a period of 5 years to hold office from the conclusion of the 62nd Annual General Meeting until the conclusion of the 67th Annual General Meeting.

In response to the auditors qualifications / observations - the status as noted by the Board with respect to the first information report (FIR) filed by Central Bureau of investigation (CBI) against the Managing Director of the company is as under :

The said FIR alleged that :

- During the period 2007 – 2014, the fertilisers were imported by the company at inflated prices and claimed higher subsidy from Government of India and thereby caused losses to the exchequer;
- Commission were paid by the overseas suppliers to relative of the Managing Director resulting in diverting and siphoning of funds.

The aforesaid matter was discussed in the Board meeting held on 1st June, 2021.

The Board directed the management to provide all the information relating to the case to all the regulatory authorities as and when requested.

The Management has been responding to the queries raised by the authorities both through written form and also by way of personal appearance on various dates. Since the matter is at a preliminary stage, the Board of Directors believe that no independent investigation is necessary at this stage as the CBI being a premier investigation agency is already investigating the matter.

The Board reposes confidence in the office of Managing Director and the Managing Director continues to discharge his official duties as decided and approved by the Board . Financial impact and any internal control lapse during the check period, if any, would be known only upon the conclusion of the investigation proceedings.

The Company would take necessary steps at it deem fit and take action based on the progress of the case .

The Company has a strong internal control mechanism in place for various activities and it would continue to evaluate and strengthen its internal controls further wherever warranted .

In response to the Company's composition of the Board and various sub-committees which were not in accordance with the relevant provisions of the Companies Act , 2013 and rules made thereunder, the Company could not appoint Independent Directors replacing the outgoing Independent Directors and also efforts to get the extension of their term did not fructify in time because of Covid related restrictions and lockdown etc. which disrupted normal and regular working in offices. Subsequently, the Board in its meeting held on 10th August, 2021 had re-constituted the Board and various sub-committees of the Board in line with the provisions of the Companies Act, 2013.

In response to the requirement of prior - approval of related party transactions for the year 2020-21, the company has since ratified. The Company also has taken approval for related party transactions to be entered for the year 2021-22.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s. ARUB & Associates, Firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure 2**

In response to the qualifications /observations on Board composition, the Company could not appoint Independent Directors replacing the outgoing Independent Directors who ceased with effect from 31st August, 2020 and also efforts to get the extension of their term did not fructify in time because of Covid related restrictions and lockdown etc. which disrupted normal and regular working in offices. The Company has since re-constituted the Board with the appointment of 3 Additional Directors (in the category of Non-Executive Independent Director) including one Woman Independent Director subject to approval of shareholders in the general meeting in its meeting held on 10th August, 2021 and has complied with the provisions of the Companies Act, 2013 and the rules framed thereunder. The Company has also reconstituted its committees complied as per the provisions of the Companies Act, 2013 and the rules framed thereunder.

COST AUDITORS

The Board of Directors of the company, on the recommendation of the Audit Committee, have re-appointed M/s. R. M. Bansal & Co, Cost Accountants, Lakhanpur, Kanpur, Uttar Pradesh as a Cost Auditor for auditing the cost accounts in respect of sugar products of the Company for the Financial Year 2021-22. Necessary approval in respect of their remuneration will be obtained at the ensuing Annual General Meeting of the company.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of Annual Return as at March 31, 2021 is available on the Company website at :https://www.indianpotash.org. Further a copy of the Annual Return of the Company containing the particulars prescribed under section 92 of the Act, in Form MGT-7 as on March 31, 2021, is made available on the Company's website at : https://www.indianpotash.org.

RISK MANAGEMENT

A standardized Risk Management Process and System is in place across the Company support our business to manage and effectively mitigate critical risks. The Board is ultimately responsible for the overall process of risk management throughout the organisation. Executive Management ensures there is a common and efficient process in place. Our business units and corporate functions address risks by following the requisite process and system aligned to our objectives. The Business risk is managed through cross-functional involvement and communication across businesses.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, Individual Directors and committees was conducted in accordance with the provisions of the Companies Act, 2013. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is attached as **Annexure-3** which forms part of this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered materially significant which may have potential conflict with interest of the Company at large.

Your Directors draw attention of the members to Note 26 to the financial statement which sets out related party disclosures.

The related party transactions are duly approved by the Audit Committee and the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances and to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at http://www.indianpotash.org.com

INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. Also refer to company's response to auditors qualification / observations as aforesaid.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, no complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure -4** to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations except the following:-

- Pursuant to Section 233 of the Companies Act, 2013 and rules made thereunder Regional Director vide order CP/No. 9/S.233/2020-21 Dated 30.09.2020 approved the Scheme of Amalgamation of M/s. Goldline Milkfood and Allied Industries Limited, M/s. IPL Gujrat Port Limited and M/s. Sri Krishna Fertilizers Limited (Transferor companies) with the Company. The Scheme shall be effective from 1st April, 2019.

DIRECTORS' RESPONSIBILITY STATEMENT

According to the information and explanations obtained, pursuant to Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

a) In the preparation of the Standalone and Consolidated Annual Accounts for the Financial Year ended 31st March, 2021, the applicable accounting standards had been followed except in so far as relating to amalgamation of a subsidiary company where standards were applied as approved by regulatory authority.

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

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

d) The Directors have prepared the annual accounts for the Financial Year ended 31st March, 2021 on a going concern basis.

e) The Directors have laid down Internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively. Also refer to management response as referred above.

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively except relating to the Board and sub-committee composition and relating to post-facto approval of related party transactions instead of prior-approval both of which was since complied as referred above.

STATUTORY INFORMATION AND OTHER DISCLOSURES:

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure-6** and forms an integral part of this report. A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-6** and forms an integral part of this annual report. The above Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Chief Financial officer at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company.

DISCLOSURE UNDER IBC

The details of application mad or any proceeding pending under the Insolvency and Bankruptcy code,2016 (31 of 2016) during the year along with their status as at the end of the financial year.

NIL

DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

NIL

LOAN RESTRUCTURING UNDER ONE TIME SETTLEMENT

The details of difference between amount of the value done at the time of one time settlement and the valuation done while taking loan from the banks or financial Institution along with the reason thereof.

NIL

ACKNOWLEDGEMENT

The company is grateful to the Ministry of Chemicals & Fertilizers, Ministry of Agriculture, Ministry of Finance, Department of Revenue and other Departments of the Central Government, Department of Agriculture of various State Governments and the consortium of Banks for their guidance, co-operation and assistance.

The Directors acknowledge with gratitude the support of the company's distributors, Institutional customers, Overseas and indigenous suppliers. The Directors also wish to place on record their appreciation of the dedicated and sincere services of the employees and officers of the Company at all levels.

On behalf of the Board

Date: 8 September 2021

Sundeep Kumar Nayak
Chairman

ANNEXURE 4 - TO THE DIRECTORS REPORT

Particulars of Conservation of energy Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A) Technology Absorption, Adaptation and Innovation:-

In our Dairy unit at Sikandrabad we have modified the design of the Steam Radiator in the Powder Plant by maximizing the use of hot water Condensate and changed the Fins Pattern resulted in increasing the Heat transfer Rate which eventually is giving a considerable saving in the usage of electricity as well as steam consumption.

In our Dairy unit at Sikandrabad we have replaced Plate Heat Exchangers of CIP circuit with more efficient Tubular Heat Exchangers, which has resulted in reduction of Steam Consumption.

In Dairy Unit we have also installed most energy efficient foil winding transformers in which the transformation losses are minimal.

We have installed Three Vapor Absorption Machines for refrigeration which are more energy efficient than conventional Ammonia based refrigeration system. We are using Tono frost glycol instead of conventional glycol which results in fast chilling and saving of energy. Instead of electricity these machines are running on steam which is generated from agro waste. By using most efficient refrigeration system and Tono frost we are achieving better temperature and improved quality of milk on reduced cost which is turn increase the acceptance level of our product in market.

Processing plant in Dairy unit is having latest SCADA based automation which results in saving in energy and better process controls ensuring consistency in final products.

In our Cattle Feed Plant Auto filling of bags with PLC based system ensures better process controls and saves energy.Modified design of feeder conditioner of Cattle Feed Plant for effective heat treatment of mesh for palletization thereby enhancing palletizing efficiency.

B) Utilization of alternative source of Energy:-

In our Dairy Unit we have installed 'on Grid' Solar Power Plant of 120 KW capacities to generate the electricity and same is used in production.

C) Conservation of Energy:-

1) Electricity

Incorporation of latest Level switches in water tanks resulted in saving of water and electrical energy. We have installed pressure transmitters in Plant equipment to load/ unload the electrical motors resulted in saving of electrical energy. We have installed variable frequency drives on all major processing machines which ensures saving in power consumption. The power factor is also maintained at 0.9918 which results in saving of active power consumption and hence saving of electrical energy and protection of the equipment ultimately helping in saving over all power consumption.

2) Boiler

In both the Boilers of Dairy Plant & Cattle Feed Plant situated at Sikandrabad, the quality of feed water is maintained to achieve maximum heat transfer. Moreover to this steam condensate generated from plant is taken back as feed water to Boiler resulting in less fuel consumption. Air Pre Heater of boilers are cleaned regularly & other preventive maintenance of Boiler is undertaken to attain maximum thermal efficiency.

3) By using most efficient refrigeration system and Tono frost we are achieving better temperature and improved keeping quality of milk on reduced cost which is turn increased the acceptance level of our product in market.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	:	Rs. 1,08,790.12 Lakhs
Outgo	:	Rs. 11,58,098.67 Lakhs

On behalf of the Board

Date: 8 September 2021

Sundeep Kumar Nayak
Chairman

FORM AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures as per Companies Act,2013

Part "A": Subsidiary **(Rupees in Lakhs)**

Sl. No	Name of Subsidiary / Limited Liability Partnership"	Reporting Currency	Exchange Rate	Accounting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for taxation	Provision after taxation	Proposed Dividend	% of Holding	Country
1	**IPL SUGARS AND ALLIED INDUSTRIES LTD**	INR	-	2020-21	100.00	(1,404.61)	2,495.74	2,495.74	-	-	(295.69)	-	(295.69)	-	100%	INDIA

Annexure 1

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CSR Policy is appended.

CONCEPT

Corporate Social Responsibility is strongly connected with the principles of Sustainability. An organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by facilitating in education, good health, food, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intention to make a positive contribution to the society in which the Company operates.

CONSTITUTION

a. The Board of Directors of Indian Potash Limited at their Meeting held on 1st September 2016, had constituted a Committee of the Board with the nomenclature "Corporate Social Responsibility Committee" ("the Committee")

b. The Committee will act in accordance with the terms specified in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014.

c. The Committee shall come into force with immediate effect.

DEFINITION

a) **"Act"** means Companies Act, 2013 including any statutory modification or re-enactment thereof.

b) **"Board"** means Board of Directors of the Company.

c) **"Corporate Social Responsibility (CSR)"** means and includes but is not limited to projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013.

d) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

e) "**CSR Policy"** relates to the activities to be undertaken by the Company as specified in schedule VII of the Act and the expenditure thereon.

MEMBERSHIP

a. The Committee members shall be appointed by the Board. The Committee shall be constituted with a minimum of 3 members out of which at least one shall be an Independent Director.

b. The Committee Chairman shall be appointed by the Board. In the absence of the Committee Chairman, the members present at any meeting of the Committee shall elect one of their members to chair the meeting.

c. Only members of the Committee have the right to attend Committee meetings. However, all Directors may be invited to attend all or part of any meeting as and when appropriate. In addition, other individuals such as Company employees or external advisors may be invited to all or part of any meeting as and when appropriate subject to the approval of the CSR Committee.

d. The requisite quorum shall be any two members present at the meeting.

e. The Company Secretary shall act as the secretary to the committee.

MEETINGS OF THE CSR COMMITTEE

a. The CSR Committee shall meet periodically as and when required. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.

b. The Members of the Committee may

participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the Provisions of the Companies Act, 2013 and rules made there under from time to time.

ACTIVITIES TO BE UNDERTAKEN AND MODE OF EXECUTION

1. The Committee undertakes one or more of the following activities as specified in Schedule VII of the Companies Act,2013 as its projects for CSR activity viz;
   a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
   b) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly etc and livelihood enhancement projects.
   c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans.
   d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
   e) Protection of national heritage, art and culture.
   f) Measures for the benefit of armed forces veterans, war widows and their dependents.
   g) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympics sports.
   h) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Govt for socio-economic development and relief.
   i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
   j) Rural development projects.
   k) Slum area development
2. The Committee intends to carry out its CSR activities through its own personnel/ department established with persons qualified to undertake such activities.
3. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-for-profit objectives. Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.
4. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").
5. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.

EXCLUSION FROM CSR ACTIVITIES

The following activities shall not form part of the CSR activities of the Company:

a. The activities undertaken in pursuance of normal course of business of a company

b. CSR projects \ programs or activities that benefit only the employees of the Company and their family

c. Any CSR projects/programs or activities undertaken outside India

QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES

a. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

b. The Annual CSR Budget shall be spent on activities laid down in this Policy.

c. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

d. In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

CSR MONITORING & REPORTING FRAMEWORK

a. In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

b. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

c. The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

REPORTING

The Board's Report shall include an annual report on CSR comprising particulars as defined.

PUBLICATION OF THE POLICY

The CSR policy recommended by the Committee and approved by the Board shall be displayed in the Company's website for public viewing.

AMENDMENT

a. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

b. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

c. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to the approval of the Board.

2. Composition of CSR Committee of the Company:

i. Shri. Sundeep Kumar Nayak - Chairman

ii. Shri. Arvind Kumar Kadyan - Member

iii. Ms. Vandana Chanana - Member

3. Average Profit before tax of the company for the last three Financial Years:

Rs. 1,039.66 lakhs

4. Details of CSR Spent during the Financial Year (attached)

Dr. P.S Gahlaut
Managing Director

Sundeep Kumar Nayak
Chairman - CSR Committee

Annual Report On Corporate Social Responsibility (CSR) Activities

1. Brief Outline on CSR Policy of the Company :

   CSR Activities will focus on the following activities that will positively impact the society at large.

   a. Promoting preventive health care, sanitation, public toilets, education and measures for reducing inequalities faced by socially and economically backward groups.

   b. Supporting proposal for conservation of natural resources and maintaining the quality of soil, air and water.

   c. Supporting to the proposals of Rural Development Projects such as setting up primary health care centres, community toilets, drinking water supply, lighting, etc.

   d. To generate, through this CSR initiatives, community goodwill for IPL and help reinforce a positive and socially responsible image of IPL as a corporate entity.

2. Composition of CSR Committee:

Sl. No	Name of the Director	Designation Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Shri M Murugan	Chairman	2	2
2.	Shri Prem Chandra Munshi	Member	2	2
3.	Ms. Reena Kaishing	Member	2	1
4.	Dr. P.S.Gahlaut	Member	2	2

   Note: Ms. Reena Kaishing, whose term of office ceased on 31st August 2020 in terms of Section 49(11) of the Act.

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

   The Composition of CSR committee, CSR Policy and CSR projects details are available on the Company's website at : https://www.indianpotash.org

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : NA

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

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

6. Average net profit of the company as per section 135(5): Rs.51,983.76 Lakhs
7. a. Two percent of average net profit of the Company As Per Section 135(5): Rs.1,039.66 Lakhs
   b. Surplus arising out of the CSR projects or programs or activities of the previous financial years- NA
   c. Amount required to be set-off for the financial year, if any: NA
   d. Total CSR obligation for the financial year (7a+7b-7c): Rs. 1,039.66 Lakhs

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs)				
	Total Amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified unders Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
241.57	-				

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

1	2	3	4	5	6		7	8	9	10	11	12
S. No	Name of the Project	Name of the Project	Item from the list of activities In schedule VII	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the Current Financial Year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation Through Implementing Agency
					State	District						Name & CIN
							NIL					

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

1	2	3	4	5		6	7	8	
S. NO	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount allocated for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CIN
1	Pasting of Retro Reflective Tapes on Tractor and Trolleys of Farmers of Uttar Pradesh	Rural Development Projects		Uttar Pradesh		10,38,478.00	Yes		

2	Installation of High Mast Lights in Cremation Ground and Public Place of Village Rohana Kalan, District Muzaffar-nagar, U.P.	Rural Develop-ment Projects		Uttar Pradesh	Village Rohankalan, Muzaffar-nagar	5,66,400.00	Yes		
3	Development of Public Park in village Sakhoti Tanda, District Meerut, U.P.	Rural Develop-ment Projects		Uttar Pradesh	Meerut	46,61,869.30	Yes		
4	Construction of School Building in village Sakhoti Tanda, District Meerut, U.P.	Promotion of Education		Uttar Pradesh	Village, Sakhoti Tanda, Meerut	54,89,625.22	Yes		
5	Distribution of 1020 nos of Blankets in Bahraich and Meerut Districts of U.P.	Eradication of Poverty and Promoting Preventive Health Care		Uttar Pradesh	Meerut	2,79,290.00	Yes		
6	Distribution of free PPE Kits and Face Mask to Hospitals in Bengaluru, Karnataka	Promoting Preventive Health Care		Karnataka	Bengaluru	5,04,000.00	Yes		
7	Distribution of Free PPE Kits and Homeopathic Immune Boosters to Corona warriors in District, Bulandshahr, U.P.	Promoting Preventive Health Care		Uttar Pradesh	Buland-shahr	25,000.00	Yes		
8	Distribution of 6 Quintal Pulses To Poor Migrants durring Period of lockdown in U.P.	Eradicating Hunger, Poverty and Malnutrition		Uttar Pradesh		46,680.00	Yes		
9	Financial support for purchase of track suits and t-shirts for participants of District half Ganga Marathon held in District Saharanpur, U.P.	Promotion of Sports In Rural areas		Uttar Pradesh	Saharanpur	1,01,062.00	Yes		

10	Financial support to Dada Sobhnath mandir for Construction of toilets in village Farmana Majra, District Sonipat, Haryana	Promoting Preventive Health Care and sanitation		Haryana	Sonipat	1,00,000.00	Yes		
11	Rejuvenation of Anganwadi Centers in Baran, Rajasthan	Reducing Child Mortality And improving Maternal Health		Rajasthan	Baran	7,50,000.00	Yes		
12	Supply And Installation of Public Gyms in District Muzaffarnagar, U.P.	Promotion of Sports in Rural areas		Uttar Pradesh	Muzaffar-nagar	23,48,830.00	Yes		
13	Supply And Installation of Public Gyms in District Meerut, U.P.	Promotion of Sports In Rural areas		Uttar Pradesh	Meerut	16,24,420.00	Yes		
14	Organized Skill Development Training Programme "'Self Employed Tailor" by 'Apparell Made-Ups Home Furnishing Sector Skill Council' in District Mehsana, Gujarat	Employment Enhancing Vocation Skill, Levilihood Enhancement Projects		Gujarat	Mehsana	2,47,600.00	Yes		
15	Water Conservation Project cleaning and deepening of 7 Ponds in District Muzaffarnagar, U.P.	Ensuring Environmental Sustainability, Ecological Balance and rural Development		Uttar Pradesh	Muzaffar-nagar	7,01,250.00	Yes		
16	Dairy factory visit of under priviledged girls for training, District Bulandshahr, U.P.	Promoting Education and Employment Enhancing Vocational Skills		Uttar Pradesh	Buland-shahr	20,000.00	Yes		
17	Organizing Skill Development Training Programme for Weavers and Dyers by 'The Asian Heritage Foundation'.	Protection of National Heritage, art and culture, Employment Enhancing Vocational Skills		New Delhi	New Delhi	4,65,000.00	Yes		

18	Expenditure on Fighting Covid 19 in U.P. and Andhra Pradesh.	Promoting Preventive Health Care		Uttar Pradesh and Andhra Pradesh		8,70,274.60	Yes		
19	Running of Mobile Dispensary van in Meerut and Muzaffarnagar Districts of U.P.	Promoting Preventive Health Care		Uttar Pradesh	Meerut and Muzaffar-nagar	11,20,694.51	Yes		
20	Rejuvenation of Cremation Ground of Village Rohana Kalan, District Muzaffarnagar, U.P.	Rural Development Projects		Uttar Pradesh	Village Rohanaka-lan, Muzaf-farnagar	3,17,376.26	Yes		
21	Distribution of Blankets in District Maharajganj, U.P.	Eradication of Poverty and Promoting Preven-tive Health Care		Uttar Pradesh	Maharajganj	47,250.00	Yes		
22	Construction of Cow Shed in Village Rohana Kalan, District Muzaffarnagar, U.P.	Rural Development Projects		Uttar Pradesh	Muzaffar-nagar	52,480.00	Yes		
23	Distribution of Single Bud Cutting Machine, Portable R.O. Machine, Sanitary Pad Vending Machine, Plastic Googles and Shawl / Blan-kets in U.P.	Eradication of Poverty, Promoting Preventive Health Care and Sanitation		Uttar Pradesh		20,650.00	Yes		
24	Financial Support to Community Kitchen during period of Lock-down in District Meerut, U.P.	Eradicating Hunger, Poverty and Malnutrition		Uttar Pradesh	Meerut	30,000.00	Yes		
25	Distribution of Ration Kits during period of Lock down in District Bahraich, U.P.	Era Eradicating Hunger, Poverty and Malnutrition Dicating Hunger, Poverty and Malnutrition		Uttar Pradesh	Bahraich	28,375.00	Yes		
26	Financial Support to Jan Seva Nyas, District Meerut, U.P.	Employment Enhancing Voca-tion Skill, Levil-ihood Enhance-ment Projects		Uttar Pradesh	Meerut	5,00,000.00	Yes		
27	Renovation of IPL Block at GHSS, Akkaraipettai, Nagapattinam	Promoting Educa-tion and Employ-ment Enhancing Vocational Skills		Tamilnadu	Nagapat-tinam	9,00,000.00	Yes		
28	Covid Vaccination Scheme	Vaccination				13,00,000.00	Yes		
	Total					**2,41,56,604.89**			

(d) Amount spent in Administrative Overheads :NA

(e) Amount spent on Impact Assessment, if Applicable: NA

(f) Total Amount Spent for the Financial Year (8b+8c+8d+8e): Rs. 241.57 Lakhs

(g) Excess amount for set off, if any

Sl No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per section 135 (5)	NIL
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year ((ii) –(i))	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years. If any	
(v)	Amount available for set off in succeeding financial years ((iii) – (iv))	

9. (a) Details of unspent CSR amount for the preceding three Financial years: NA

Sl No	Preceding Financial Year	Amount Transferred to Unspent CSR Account under section 135(6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in Rs)
				Name of the Fund	Amount (in Rs)	Date of Transfer	
				NIL			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years: NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project Id	Name of the Project	Financial Year in which the project was Commenced.	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs)	Status of the project Completed / on going
					NIL			

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

    (a) Date of creation/ acquisition of the asset(s)

    (b) Amount of CSR spent for creation /acquisition of asset

    (c) Details of the entity/ public authority under whose name such asset is registered, address etc.

    (d) Provide details of the property or asset(s) created/ acquired (including complete address and location of the property)

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

    Due to lockdown restrictions imposed by respective State Governments & Central Governments on account of covid-19 pandemics.

Dr. P.S. Gahlaut	Sundeep Kumar Nayak
Managing Director	Chairman - CSR Committee

Annexure 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31.03.2021

To,

The Members,
Indian Potash Limited
1st Floor, Seethakathi Business Centre
684-690, Anna Salai
Chennai – 600 006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indian Potash Limited (CIN: U14219TN1955PLC000961) (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 financial year ended on March 31, 2021 (the audit period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;

Other laws specifically applicable to the Company:

i. The Factories Act, 1948
ii. The Payment of Wages Act, 1936
iii. The Minimum Wages Act, 1948
iv. The Payment of Bonus Act, 1965
v. Payment of Gratuity Act, 1972
vi. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

vii. The Employees State Insurance Act, 1948
viii. The Payment of Bonus Act, 1965
ix. The Maternity Benefit Act, 1961
x. The Sexual Harassment of Women at Workplace (PD & R) Act, 2013
xi. Employees Compensation Act 1923 and rules thereunder
xii. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
xiii. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
xiv. Environment Protection Act 1986 and rules made thereunder
xv. Other Central and State Acts, rules, guidelines and regulations to the extent applicable to the Company.

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

1. the Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of the Companies Act, 2013

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:-

- The composition of the Board of Directors was not in compliance with the provisions of the Act and rules made thereunder.
- The Company had three Independent Directors (including one Independent and Woman Director) whose term of office ceased on 31st August 2020 in terms of Section 149(11) of the Act. The Company has not appointed the Independent Directors replacing the above named Independent Directors. However, based on the information received from the Company it is in the process of looking out for suitable persons to be appointed as Independent Directors.
- The Company has not appointed Woman Director in compliance of the requirements of the Act and rules made thereunder.
- The composition of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee is not constituted in compliance of the requirements of the Act and rules made thereunder.

Based on the information received and records maintained, we further report that:-

- The composition of the Board of Directors was not in compliance with the provisions of the Act and rules. 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 provision of the Act .

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

- 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 at a Shorter Notice for which necessary approvals obtained), 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.

- As per the minutes of the Board Meetings and Committee Meetings, the decisions of the Board and Committee as the case may be were carried out with requisite majority. We understand that there were no dissenting views for being captured in the minutes.

  We further report that based on the compliance mechanism established by the Company we are of the opinion that there are 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, however there is a scope for improvement.

  We further report that during the audit period no specific major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Pursuant to Section 233 of the Companies Act, 2013 and rules made thereunder Regional Director vide order CP/No. 9/S.233/2020-21 Dated 30.09.2020 approved the Scheme of Amalgamation of M/s Goldline Milkfood and Allied Industries Limited, M/s IPL Gujrat Port Limited and M/s Sri Krishna Fertilizers Limited (Transferor companies) with the Company. The Scheme shall be effective from 1st April, 2019.

For ARUB & ASSOCIATES
Company Secretaries
Firm Registration No. P2015TN044500

A.Rengarajan
Partner
FCS:6725, CP: 13437
UDIN Number : F006725C000916150

Date : 07/09/2021
Place : Chennai

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,
Indian Potash Limited
1st Floor, Seethakathi Business Centre
684-690, Anna Salai
Chennai – 600 006

Dear Members,

Sub: Our Report of even date for the financial year 2020-21 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 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 ARUB & ASSOCIATES
Company Secretaries
Firm Registration No. P2015TN044500

A.RENGARAJAN
Partner
FCS:6725, CP: 13437
UDIN Number : F006725C000916150

Date : 07/09/2021
Place : Chennai

Annexure 3

Name of Employee	Designation of Employee	Remuneration received Rs.	Nature of Employment	Qualification & Experience of Employee	Date of Commence-ment of Employment	Age	Last Employment held
Dr. P.S. Gahlaut	Managing Director	1,28,23,412.00	Managing Director	Hons in B.Sc(Chemistry) Post Graduate Diploma in Marketing Management, FMS, University Delhi Phd in Business Management from Inter American University, Florida 48 Years	1st May, 1985	73 Years	M/s.Bharat Alums & Chemicals Ltd

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDIAN POTASH LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Indian Potash Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 except for the indeterminate effect of the matters referred to in the Basis for Qualified Opinion paragraph below, 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, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to:

(a) Note 25(e) to the standalone financial statements, regarding the ongoing investigation conducted by the Central Bureau of Investigation (the "CBI") against the Managing Director and one of the Directors of the Company and their relatives mentioned in the CBI First Information Report (the "FIR") alleging that the Company had imported fertilizers at inflated prices, claimed higher subsidies from Government of India and payment of commission by overseas suppliers through complex transactions to the persons mentioned in the CBI FIR resulting in diversion and siphoning of funds abroad during the period 2007-2014, which was audited by another firm of Chartered Accountants. The matter is pending investigation by the CBI, and the High Court of Delhi, vide its order dated May 31, 2021 has directed, in this respect that no coercive steps shall be taken against the aforesaid. However, pending completion of investigation by the CBI, the Board has not carried out any independent investigation and the adjustments, if any, and alleged non-compliances with laws and regulations including under the Indian Penal Code, 1860 and the Prevention of Corruption Act, 1988, if any, that may arise on completion of such investigation and the consequential impact on the standalone financial statements, is not ascertainable at this stage.

(b) Note 25(f) to the standalone financial statements, regarding Company's composition of the Board of directors regarding independent director, woman director and rotational director and sub committees such as the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, which are not in accordance with Sections 177(2), 178(1) and 135(1) respectively of the Act and rules made there under for the periods referred to in the aforesaid Note. The consequential impact of this matter on the standalone financial statements is currently not ascertainable.

(c) Note 25(g) to the standalone financial statements regarding the non-compliance with regard to Section 177 of the Companies Act, 2013 and related Rules thereunder as prior approval of the related party transactions by the Audit Committee was not obtained, and the aforesaid transactions were subsequently ratified. The impact of this matter on the standalone financial statements, if any, is presently not ascertainable.

4. 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 qualified opinion.

Emphasis of Matter

5. We draw your attention to Note 32 to the standalone financial statements in respect of the Scheme of Amalgamation (the "scheme") between the Company and Goldline Milkfood and Allied Industries Limited, IPL Gujarat Port Limited and Sri Krishna Fertilizers Limited, its wholly owned subsidiaries and step down subsidiary respectively, which has been accounted for in accordance with the accounting treatment and appointed date as approved by the Regional Director vide its Order dated September 30, 2020. The accounting treatment prescribed in respect of amalgamation of Goldline Milkfood and Allied Industries Limited is as per Appendix C of Ind AS 103, the beginning of the preceding period, which is different from that as per applicable accounting standards, which require the amalgamation to be accounted for as an acquisition of assets on the date of approval of the Regional Director.

   Our opinion is not modified in respect of this matter.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Director's 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.

7. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements

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.

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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.

Auditors' responsibilities for the audit of the standalone financial statements

9. 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 auditors' 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.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. 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.

Other Matter

13. We did not audit the standalone financial statements of the amalgamating companies included in the standalone financial statements of the Company, which constitute total assets of Rs. 3,328.18 Lakhs and net assets of Rs. (293.96) Lakhs as at March 31, 2020, total revenue of Rs. 1,639.31 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (365.88) Lakhs and net cash flows amounting to Rs. 35.68 Lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the standalone financial statements (including other information) to the extent they have been derived from such standalone financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

(a) We have sought and except for the matters referred to in Basis for Qualified Opinion paragraph above, 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, except for the matters referred to in the Basis for Qualified Opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, except for the indeterminate effect of the matters referred to in Paragraphs 3(a), 3(b) and 3(c) of the Basis for Qualified Opinion above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act. (Also refer the 'Emphasis of Matter' section of our report)

(e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to maintenance of accounts and other matters, reference is made to our comments in Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" wherein we have expressed a qualified opinion.

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements – Refer note 10 and note 25 to the standalone financial statements;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.

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

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN:21213126AAAAFR9319

Place : Chennai
Date : 8 September 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(h) of the Independent Auditors' Report of even date to the members of Indian Potash Limited on the standalone financial statements as of and for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Indian Potash Limited ("the Company") as of March 31, 2021 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2021:

a) The Company's internal financial controls over compliance with laws and regulations, were not operating effectively which could potentially result in Company's non-compliance with the applicable laws and regulations. (Refer paragraphs 3(a), 3(b) and 3(c) of the main audit report)

b) The Company's internal financial controls over period end financial review process, were not operating effectively which could result in a potential adjustment to the standalone financial statements, including with regard to provisions, contingencies and commitments. (Refer paragraph 3(a) of the main audit report)

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for the effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above

on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2021.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2021, and the material weakness has affected our opinion on the standalone financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the standalone financial statements. (Refer paragraph 3 of the main audit report).

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership Number : 213126
UDIN:21213126AAAAFR9319

Place : Chennai
Date : 8 September 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Indian Potash Limited on the standalone financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment and intangible assets.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2(a) on property, plant and equipment and note 2(b) on right of use of assets to the standalone financial statements, are held in the name of the Company, except for the following:

Particulars of the land	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)	Remarks
Leasehold land measuring 266 acres located in Motipur, Bihar	5,620.00	4,676.42	The land was leased to the Company by Bihar State Sugar Corporation Limited (BSSCL) in 2011-12. BSSCL's title to the land was challenged by shareholders of the sugar factory (erstwhile land owners). The lease agreement is yet to be registered in the name of the Company.

ii. The physical verification of inventory (including stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have been substantially been confirmed by them. The management has involved surveyors for carrying out physical verification of the fertilisers as the survey is technical in nature and we have carried out certain additional procedures in relation to the physical verification of Inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loans, to one of its subsidiary companies covered in the register maintained under Section 189 of the Act. There are no other secured/unsecured loans granted to companies / firms /limited liability partnerships/ other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in absence of stipulation of repayment terms we do not make any comment on the regularity of repayment of principal and payment of interest.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

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 Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and 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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of excise, duty of customs, value added tax, as applicable, with the appropriate authorities.

Also refer note 13 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, goods and services tax, duty of customs and duty of excise duty and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	3,689.89	2001-06	CESTAT, Bengaluru
Customs Act, 1962	Customs Duty	25.72	2006-09	Commissioners of Customs (Appeals) - Mumbai
Income Tax Act, 1961	Income Tax	76.66	2013-14	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	7.74	2013-14	Commissioner of Income Tax (Appeals), Chennai
Central Excise Act, 1944	Cenvat Credit	2.26	2011-12	CESTAT, Allahabad
Central Excise Act, 1944	Cenvat Credit	1.02	2008-09, 2011-12, 2014-15	Commissioner (Appeals), Meerut
Central Excise Act, 1944	Excise Duty	1.99	2010-11, 2012-13	CESTAT, Allahabad
Central Excise Act, 1944	Excise Duty	8.13	2002-03	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	15.06	2010-11, 2013-14	Commissioner (Appeals), Allahabad
Central Excise Act, 1944	Excise Duty	1.94	2017-18	Superintendent, Central Excise, Gorakhpur
The Finance Act, 1994	Service Tax	1.81	2009	Commissioner (Appeals), Allahabad

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Uttar Pradesh Trade Tax Act, 1948	Trade Tax (Entry Tax)	0.40	2013-14	Additional Commissioner (Appeals), Gorakhpur
Uttar Pradesh Trade Tax Act, 1948	Trade Tax (Entry Tax)	7.50	2008-09	Additional Commissioner (Appeals), Meerut
Uttar Pradesh Trade Tax Act, 1948	Trade Tax (Entry Tax)	31.22	2005-06	Deputy Commissioner, Commercial Tax, Muzaffar-nagar
Uttar Pradesh Trade Tax Act, 1948	Trade Tax (Entry Tax)	14.22	1993-94, 2001-02, 2005-06, 2006-07	Trade Tax Tribunal, Meerut
Kerala Value Added Tax Act, 2003	Value Added Tax	6,596.76	2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2011-12	Honourable Supreme Court of India
Maharashtra Value Added Tax Act, 2002	Value Added Tax	19.40	2011-12	Deputy Commissioner of Sales Tax, Mumbai
Maharashtra Value Added Tax Act, 2002	Value Added Tax	1.44	2013-14	Joint Commissioner of Sales Tax, Mumbai
Rajasthan Value Added Tax Act, 2003	Value Added Tax	37.66	2016-17	Assistant Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	1.58	2008-09	Hon'ble Member, Comm. Tax Tribunal, Bench-II, Meerut
Uttar Pradesh Trade Tax Act, 1948	Trade Tax (Entry Tax)	1.05	2008-09	Hon'ble Member ,Comm. Tax Tribunal, Bench-II, Meerut
Customs Act, 1962	Demurrage Charges	22.36	2010-11 to 2014-15	Commissioner of Central Tax and Customs (Appeals)
The Finance Tax Act, 1994	Service Tax	445.74	2015-2018	Honourable Supreme Court of India
Central Goods and Services Tax Act, 2017	Goods and Services Tax (GST)	11,300.00	2017-2019	Joint Commissioner of CGST (Appeals), Ahmedabad.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government, as applicable, as at the balance sheet date. The Company has not issued any debentures.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for the matter referred to in Note 25(e) to the standalone financial statements and paragraph 3(a) of the Basis for Qualified Opinion paragraph in main report regarding the ongoing investigation initiated by CBI on which we are unable to comment pending outcome of the investigation, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. Refer to Notes 25(f) and (g) to the standalone financial statements and paragraphs 3(b) and 3(c) of the Basis for Qualified Opinion paragraph in the main report regarding the composition of Audit Committee and post-facto approval by the Audit Committee in connection with related party transactions instead of prior approval as required under Section 177 of the Companies Act, 2013. Except for these matters, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions, have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership Number : 213126
UDIN : 21213126AAAAFR9319

Place : Chennai
Date : 8 September 2021

Standalone balance sheet as at 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2(a)	87,181.01	83,971.52
Right-of-use assets	2(b)	9,022.74	9,996.42
Capital work-in-progress	2(a)	9,289.55	1,885.02
Intangible assets	3	131.61	125.18
Financial assets			
i. Investments	4(a)	1,33,635.01	1,12,486.99
ii. Loans	4(e)	2,498.22	2,508.34
iii. Other financial assets	4(f)	198.56	198.59
Deferred tax assets (net)	5	12,307.47	12,083.79
Other non-current assets	6	1,010.24	3,330.64
Total non-current assets		**2,55,274.41**	**2,26,586.49**
Current assets			
Inventories	7	2,63,209.77	2,57,382.61
Financial assets			
i. Trade receivables	4(b)	3,06,663.98	5,40,838.45
ii. Cash and cash equivalents	4(c)	1,15,624.84	54,234.44
iii. Bank balances other than cash and cash equivalents	4(d)	6,866.11	1,866.12
iv. Loans	4(e)	0.72	1.85
v. Other financial assets	4(f)	4,801.09	4,486.75
Other current assets	6	42,210.98	56,638.70
Total current assets		**7,39,377.49**	**9,15,448.92**
Total assets		**9,94,651.90**	**11,42,035.41**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8(a)	2,859.72	2,859.72
Other equity			
Reserves and surplus	8(b)	3,97,426.51	3,41,116.52
Other reserves	8(c)	6,576.14	6,061.03
Total equity		**4,06,862.37**	**3,50,037.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	9(a)(i)	6,910.60	9,750.00
ii. Lease liabilities	2(b)	364.05	832.52
iii. Other financial liabilities	9(c)	4,815.40	5,229.68
Total non-current liabilities		**12,090.05**	**15,812.20**
Current liabilities			
Financial liabilities			
i. Borrowings	9(a)(ii)	2,59,102.84	3,57,537.88
ii. Lease liabilities	2(b)	488.99	591.86
iii. Trade payables	9(b)		
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues other than micro and small enterprises		2,42,002.11	3,45,375.68
iv. Other financial liabilities	9(c)	35,444.07	41,950.25
Contract liabilities	9(d)	18,741.82	6,774.29
Provisions	10	7,293.78	7,293.78
Employee benefits obligations	11	905.74	1,149.29
Current tax liabilities (net)	12	9,475.22	9,435.26
Other current liabilities	13	2,244.91	6,077.65
Total current liabilities		**5,75,699.48**	**7,76,185.94**
Total liabilities		**5,87,789.53**	**7,91,998.14**
Total equity and liabilities		**9,94,651.90**	**11,42,035.41**

The accompanying notes are an integral part of these financial statements. This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

U.S.Awasthi
Director
DIN: 00026019

Place : New Delhi
Date : 8 September 2021

P.S.Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Standalone statement of profit and loss for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	14	16,30,387.72	14,48,907.22
Other income	15	27,721.71	20,702.72
Total income		**16,58,109.43**	**14,69,609.94**
Expenses			
Cost of materials consumed	16	1,55,962.30	1,65,265.37
Purchases of stock-in-trade		11,71,061.94	9,90,964.30
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17	(6,743.28)	(884.26)
Employee benefit expense	18	9,056.96	8,955.82
Depreciation and amortisation expense	19	5,115.99	5,230.66
Other expenses	20	2,32,548.34	2,21,940.11
Finance costs	21	15,112.62	25,387.42
Total expenses		**15,82,114.87**	**14,16,859.42**
Profit before tax		**75,994.56**	**52,750.52**
Income tax expense	22		
Current tax		19,291.51	14,718.01
Deferred tax		(304.16)	3,333.10
Total tax expense		**18,987.35**	**18,051.11**
Profit for the year		**57,007.21**	**34,699.41**
Other comprehensive income			
Items that may be reclassified to profit or loss :			
Debt instruments through other comprehensive income	8(c)	533.53	1,742.35
Income tax relating to items that may be reclassified to profit or loss		(54.99)	63.46
		478.54	**1,805.81**
Items that will not be reclassified to profit or loss:			
Gain/ losses on equity instruments at fair value through other comprehensive income(FVOCI)	8(c)	16.09	1,093.79
Remeasurements of post-employment benefit obligations	11	63.68	256.68
Income tax relating to items that will not be reclassified to profit or loss		(25.49)	(289.69)
		54.28	**1,060.78**
Total other comprehensive income		**532.82**	**2,866.59**
Total comprehensive income for the year		**57,540.03**	**37,566.00**
Earnings per equity share	23		
Basic (in Rs.)		199.35	121.34
Diluted (in Rs.)		199.35	121.34

The accompanying notes are an integral part of these financial statements. This is the standalone statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

P.S.Gahlaut
Managing Director
DIN: 00049401

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Place : New Delhi
Date : 8 September 2021

Standalone statement of changes in equity for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	
Balance as at 1 April 2019		**2,859.72**
Changes in equity share capital during 2019-20	8(a)	-
Balance as at 31 March 2020		**2,859.72**
Changes in equity share capital during 2020-21	8(a)	-
Balance as at 31 March 2021		**2,859.72**

b. Other equity

Particulars	Other Equity						Total equity attributable to equity holders of the Company
	Reserves & Surplus				Other Comprehensive Income (OCI)		
	Capital reserve	General reserve	Retained earnings	Molasses Storage Facility Reserve Fund	Debt instrument through other comprehensive income	Equity instrument through other comprehensive income	
Opening balance as at 1 April 2019	**7,762.49**	**41,557.02**	**2,57,596.05**	**118.20**	**3,354.37**	**8.96**	**3,10,397.09**
Adjustments consequent to scheme of arrangement (Refer Note No.32)	(238.75)	-	(29.66)	-	-	-	(268.41)
Opening balance as at 1 April 2019 (restated)	**7,523.74**	**41,557.02**	**2,57,566.39**	**118.20**	**3,354.37**	**8.96**	**3,10,128.68**
Profit for the year	-	-	34,699.41	-	-	-	34,699.41
Other comprehensive income (net of tax)	-	-	168.89	-	1,805.81	891.89	2,866.59
Total comprehensive income for the year	-	-	34,868.30	-	1,805.81	891.89	37,566.00
Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b))	**-**	**-**	**(9.34)**	**9.34**	**-**	**-**	**-**
Transactions with owners in their capacity as owners:							
Final dividend	-	-	(428.96)	-	-	-	(428.96)
Dividend distribution tax	-	-	(88.17)	-	-	-	(88.17)
Closing balance as at 31 March 2020	**7,523.74**	**41,557.02**	**2,91,908.22**	**127.54**	**5,160.18**	**900.85**	**3,47,177.55**
Opening balance as at 1 April 2020	**7,523.74**	**41,557.02**	**2,91,908.22**	**127.54**	**5,160.18**	**900.85**	**3,47,177.55**
Profit for the year	-	-	57,007.21	-	-	-	57,007.21
Other comprehensive income (net of tax)	**-**	**-**	**17.71**	**-**	**478.54**	**36.57**	**532.82**
Total comprehensive income for the year	**-**	**-**	**57,024.92**	**-**	**478.54**	**36.57**	**57,540.03**
Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b))	-	-	(15.76)	15.76	-	-	-
Transactions with owners in their capacity as owners:							
Final dividend	**-**	**-**	(714.93)	**-**	**-**	**-**	(714.93)
Dividend distribution tax	-	-	-	-	**-**	-	**-**
Closing balance as at 31 March 2021	**7,523.74**	**41,557.02**	**3,48,202.45**	**143.30**	**5,638.72**	**937.42**	**4,04,002.65**

The accompanying notes are an integral part of these financial statements. This is the standalone statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

P.S.Gahlaut
Managing Director
DIN: 00049401

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : New Delhi
Date : 8 September 2021

R. Srinivasan
Chief Financial Officer

Standalone statement of cash flows for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	75,994.56	52,750.52
Adjustments for		
Depreciation and amortisation expense	5,115.99	5,230.66
Finance costs	15,112.62	25,387.42
Unrealised difference on translation of assets and liabilities	(562.22)	20,855.24
Bad trade receivables written off	-	804.59
Provision for doubtful trade and other receivables, loans and advances	(4,287.75)	9,211.74
Dividends from mutual funds	-	(1,598.28)
Dividend from associate company	(2,388.79)	(4,461.84)
Interest Income on financial assets	(4,925.83)	(3,577.69)
Provision for GST receivable	15,000.00	-
Provision / liabilities no longer required, written back	(4,847.42)	(9,559.39)
Profit on sale of investment	(2,758.96)	(422.50)
Profit on sale of PPE, net	(30.99)	(297.99)
	91,421.21	**94,322.48**
Change in operating assets and liabilities		
Decrease/ (Increase) in trade receivables	2,37,541.54	(1,20,158.71)
Decrease in loans	1.13	-
Decrease/ (Increase) in other financial assets	137.48	(1,613.77)
Decrease/ (Increase) in other non-current assets	-	(14.49)
Increase in other current assets	(572.28)	(9,414.31)
Increase in inventories	(5,827.16)	(328.94)
(Decrease)/ Increase in trade payables	(97,913.06)	16,302.54
Increase/(decrease) in other financial liabilities	275.90	(13,009.16)
Increase in contract liabilities and other current liabilities	8,134.79	1,734.35
Decrease in employee benefit obligations	(179.87)	(424.87)
Cash generated from/ (used in) operations	**2,33,019.68**	**(32,604.88)**
Less: Income taxes paid	**(19,226.06)**	**(12,074.81)**
Net cash inflow/ (outflow) from operating activities	**2,13,793.62**	**(44,679.69)**
Cash flow from investing activities:		
Payments for property, plant and equipment, intangible assets and capital work in progress	(11,592.70)	(9,088.35)
Sale proceeds of property, plant and equipment	33.46	347.21
Proceeds from sale of assets held for sale	-	52.45
Purchase of non current investments	(20,623.89)	(2.51)
Proceeds from sale of current investments	13,60,451.06	12,67,668.80
Purchase of current investments	(13,57,692.10)	(12,67,246.31)
Bank deposits made (net)	(4,989.72)	(698.29)
Dividends received from mutual funds	-	1,598.28
Dividend received from associate company	2,388.79	4,461.84
Interest received on financial assets	4,748.41	3,377.25
Loans to wholly owned subsidiary	(15.51)	(22.12)
Net cash (used in)/ from investing activities	**(27,292.20)**	**448.25**

Standalone statement of cash flows for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from financing activities		
Proceeds from long term borrowings	8,505.35	-
Repayment of long term borrowings	(19,500.00)	(19,500.00)
(Repayment) of / Proceeds from short term borrowings and cane bills payable to banks	(96,543.26)	69,236.12
Principal portion of lease payments	(573.11)	(491.62)
Dividend on shares (including dividend distribution tax for previous year)	(704.67)	(513.11)
Interest paid	(16,295.33)	(25,526.30)
Net cash (used in)/ from financing activities	**(1,25,111.02)**	**23,205.09**
Net increase/(decrease) in cash and cash equivalents	61,390.40	(21,026.35)
Add: Cash and cash equivalents at the beginning of the financial year	54,234.44	75,260.79
Cash and cash equivalents at the end of the year	**1,15,624.84**	**54,234.44**
Non-cash financing and investing activities		
Acquisition of right-of-use assets (refer note 2b)	-	-
Reconciliation of cash and cash equivalents as per statement of cash flows:		
	As at 31 March 2021	**As at 31 March 2020**
Cash and cash equivalents (refer note 4c)	1,15,624.84	54,234.44
Balances as per statement of cash flows	1,15,624.84	54,234.44

The accompanying notes are an integral part of these financial statements. This is the standalone statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

P.S.Gahlaut
Managing Director
DIN: 00049401

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : New Delhi
Date : 8 September 2021

R. Srinivasan
Chief Financial Officer

Notes to the standalone financial statements as at and for the year ended 31 March 2021

1. Overview and significant accounting policies

1.1. Company overview

Indian Potash Limited (IPL) (‘ the Company’) is a leading importer involved in distribution of Muriate of Potash, Di-Ammonium Phosphate, Sulphate of Potash, Urea, Rock Phosphate, Gypsum etc. across the country including certain in-accessible areas, duly serviced by Regional offices operating in almost all State Capitals.

The Company is involved in the business of manufacturing of Cattle feed products, Milk and milk products, Sulphitation and refined Sugar and trading of Gold and other precious metals.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Chennai, Tamilnadu, India.

1.2. Basis of preparation of standalone financial statements

Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, at the end of each reporting period as explained in the accounting policies below, and have complied in all material respects with the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and /or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs , other than quoted prices included within Level 1 , that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices);
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

New and amended standards adopted by the Company

The Company has applied following standards and amendments for the first time in their annual reporting period commencing April 01, 2020.

(a) Definition of Material – amendments to Ind AS 1 and Ind AS 8

(b) Definition of a Business – amendments to Ind AS 103

(c) COVID-19 related concessions – amendments to Ind AS 116

(d) Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1.3. Use of estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

1.3.1. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

1.3.2. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

a. There is no judgement involved in Revenue recognition.

b. NRV - Expenses related to purchases like freight subsidy is adjusted for calculating the NRV

c. Tax provision management uses its judgement on the probability of the outcome of the case and accordingly provision is created.

1.3.3. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an on-going basis.

The areas involving critical estimates and judgements are:

S.No.	Particulars	Note
1.	Fair value measurements and valuation processes (including impairment evaluation)	1.13 and 1.14
2.	Revenue recognition (sale of goods including subsidy income)	1.4
3.	Provision for doubtful receivables	1.14
4.	Physical verification of inventories	1.11
5.	Provision for employee benefits	1.21

Notes to the standalone financial statements as at and for the year ended 31 March 2021

1.4. Revenue recognition

Revenue is measured at the value of the consideration received or receivable on sale of goods/rendering of services in the ordinary course of the Company's activities.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The Company recognises revenue from sale of goods based on a five step model as set out in Ind AS 115, Revenue from contracts with customers.

The Company accounts for a contract when it has approval and commitment from the customer, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company apply judgement in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting returns, trade allowances and rebates and excludes applicable indirect taxes.

1.4.1. Sale of goods

Revenue in respect of sale of goods is recognised at a point in time when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue from the sales is recognised based on price specified in the contract. The Company accounts for volume discounts, other discounts and pricing rebates to customers as a reduction of revenue based on the rateable allocation of the discounts/rebates amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/rebate.

1.4.2. Government Grant

Subsidy income is from sale of products recognised on the basis of the rate notified from time to time by the Government of India in accordance with Nutrient Based Subsidy (NBS) policy on the quantity of Fertilizers sold by the Company for the period for which notification has been issued.

Freight and other subsidies is recognised based on the notified rates/policy and when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy.

Cane subsidy for the Sugar operations from the State Government is recognised when there is reasonable assurance that the subsidy will be received and all attaching conditions are complied with.

1.4.3. Rendering of Services

Revenue from providing services including freight and handling are recognised in the books as and when services are rendered over the period of performance obligation.

1.4.4. Other income

Other income comprises primarily of interest income, dividend income, exchange gain /loss on forward contracts and on translation of other assets and liabilities. Interest income is recognised using the effective interest method and accounted on accrual basis. Dividend income is recognised when the right to receive payment is established.

Interest on trade receivables, dispatch/demurrage claim and compensation/recoveries made from Government of India are accounted as and when received, on account of uncertainty in their collection.

Insurance claims are accounted for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.5. Property, plant and equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in the profit & loss within 'Other Income'.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready for use before such date are disclosed under "Capital work-in-progress".

Depreciation methods, estimated useful lives and residual value

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The useful lives of the assets are based on useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

1.6. Intangible assets and amortisation

Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

(a) it is technically feasible to complete the software so that it will be available for use

(b) management intends to complete the software and use or sell it

(c) there is an ability to use or sell the software

Notes to the standalone financial statements as at and for the year ended 31 March 2021

(d) it can be demonstrated how the software will generate probable future economic benefits

(e) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and

(f) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of three years.

1.7. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and Liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the present value of the Fixed payments.

Lease payments to be made under reasonably certain extension option are also included in the measurement of liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain the asset of the similar value to the right-of –use asset in a similar economic environment with similar terms, security and conditions. The Company has considered the incremental borrowing rate which reflects risk-free interest rate adjusted for credit risk for leases held by the Company.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost at initial measurement of the lease liability. Right-of-use assets are generally depreciated over the asset's useful life on the straight line basis.

Payments associated with the short term leases of equipment and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short- term leases are leases with lease term of 12 months or less.

1.8. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

1.9. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the current liabilities in the balance sheet.

1.10.Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.11.Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost on weighted average basis and net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and 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.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Cost of inventories also include other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The company's Fertilizers are stored in various ports in the form of heaps. The same is verified and measured by independent surveyors. Stocks are stored with CFA agents and the availability of the same has been confirmed by them. The company appoints surveyors to estimate the inventories based on volumetric analysis and density of the stock.

1.12 Financial instruments

1.12.1. Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at a transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost of fair value, depending on the classification of the financial assets.

1.12.2. Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

Financial asset that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "Reserve for equity instruments through other comprehensive income". The cumulative gain or loss is not classified to profit or loss on disposal of the investments.

Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss and included in other Income in the period in which it arises. Interest income from these financial assets is included in other income.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries and associate

Investment in subsidiaries and associate is carried at cost in the Standalone financial statements.

b. Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The impact of the fair value changes are included in other income.

1.12.3. De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.13.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, and such value may never actually be realized.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

The Company has made certain investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments.

1.14.Impairment

a. Financial assets

The Company recognises loss allowances 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 other financial assets, 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, as applicable, as the case may be. The amount of ECLs (or reversals, if any) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the profit or loss.

Investments in subsidiaries and associates are assessed for impairment if there are indicators of impairment in accordance with Ind AS 36.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating units to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

1.15.Trade and other payables

The amount represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms of the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.16.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.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.16.1. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

1.17.Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of the money and risks specific to the liability.

The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

1.18.Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is the Indian rupee. The financial statements are presented in Indian rupee (rounded off to lakhs; one lakh equals 100 thousands)

(ii) Transactions and balances

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rate in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains / (losses).

Notes to the standalone financial statements as at and for the year ended 31 March 2021

1.19.Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.20. Income taxes

The income tax expense comprises current and deferred income tax. Income tax expense or credit for the period is the tax payable on the current period's taxable income using the income tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities are recognised for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

1.21.Employee benefits

1.21.1. Short-term employee obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.21.2. Other long-term employee obligations

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date and remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.21.3. Post-employment obligations

1.21.3.1. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the "Indian Potash Staff Executive Gratuity Fund ('the Trust') and to "Indian Potash Staff Non-executive Gratuity Fund ('the Trust'). Trustees of the fund administrator makes contributions to the Trusts and contribution are invested in a scheme with SBI Life Insurance Company Limited.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements, if any, of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the Statement of profit and loss.

1.21.3.2. Superannuation

Certain employees of Indian Potash Limited are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with SBI Life Insurance Company Limited.

1.21.3.3. Provident fund

Eligible employees of Indian Potash Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Indian Potash Limited Staff Provident Fund ('the Trust'). The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government-administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

1.22. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker. Refer note 28 for segment information presented.

1.23. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.24. Contributed equity

Equity shares are classified as equity.

1.25. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.26. Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.27. Recent regulatory updates and accounting pronouncements

1.27.1. Ministry of Corporate Affairs ('MCA') on March 24, 2021 have notified amendments to schedule III to the Act. The amendments relate to certain disclosures in the financial statements. The key amendments have been discussed below.

Notes to the standalone financial statements as at and for the year ended 31 March 2021

Balance Sheet:

(a) Presentation of obligation towards leases under 'financial liabilities' with appropriate segregation as current and non-current;

(b) Additional presentations relating to restatement of prior period balances due to errors, etc in statement of changes in equity;

(c) Disclosures relating to shareholding by promoters;

(d) Specific presentation for trade receivables, trade payables, capital work in progress and intangible assets under development;

(e) Disclosures in instances where the funds borrowed from banks and financial institutions have not been used for the purpose for which they were borrowed; and

(f) Specific disclosure under 'additional regulatory requirement' on matters like schemes of arrangements, compliance on layers of companies, title deeds of immovable property not held in name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

(g) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are being evaluated by the Company and will be complied with as and when they become applicable.

1.27.2. Code on Social security.

The Code on Social Security, 2020 that was approved by the Indian Parliament is expected to have an impact on the employment and post employment benefits to employees in India across various sectors of the industry. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will complete its evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

2(a). Property, plant and equipment
(See accounting policy in Note 1.5)

Particulars	Land - Freehold	Buildings	Plant and equipment	Furnitures and Fixtures	Vehicles	Office equipment and computers	AV Van and Equipment	Total	Capital work-in-progress
Year ended 31 March 2020:									
GROSS CARRYING AMOUNT									
As at 1 April 2019	40,666.40	16,634.57	32,410.02	471.70	166.58	3,777.08	78.21	94,204.56	958.73
Adjustments consequent to scheme of arrangement (Refer Note No 32)	92.14	635.85	615.40	10.82	-	22.57	6.44	1,383.22	-
As at 1 April 2019 (restated)	40,758.54	17,270.42	33,025.42	482.52	166.58	3,799.65	84.65	95,587.78	958.73
Additions during the year	277.22	1,494.23	2,475.10	17.10	29.46	1,091.45	21.71	5,406.27	926.29
Disposals	-	(72.06)	(0.08)	(2.58)	(19.18)	(40.31)	(8.91)	(143.12)	-
Transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**41,035.76**	**18,692.59**	**35,500.44**	**497.04**	**176.86**	**4,850.79**	**97.45**	**1,00,850.93**	**1,885.02**
ACCUMULATED DEPRECIATION									
As at 1 April 2019	-	2,103.37	8,786.20	211.28	71.32	1,250.72	24.41	12,447.30	-
Adjustments consequent to scheme of arrangement (Refer Note No 32)	-	83.01	451.64	11.10	-	16.95	1.01	563.71	-
As at 1 April 2019 (restated)	-	2,186.38	9,237.84	222.38	71.32	1,267.67	25.42	13,011.01	-
Depreciation charge during the year	-	605.08	2,134.07	51.01	20.59	1,138.81	12.74	3,962.30	-
Disposals	-	(31.50)	(0.06)	(2.38)	(14.51)	(36.97)	(8.48)	(93.90)	-
As at 31 March 2020	**-**	**2,759.96**	**11,371.85**	**271.01**	**77.40**	**2,369.51**	**29.68**	**16,879.41**	-
NET CARRYING AMOUNT									
As at 31 March 2020	**41,035.76**	**15,932.63**	**24,128.59**	**226.03**	**99.46**	**2,481.28**	**67.77**	**83,971.52**	**1,885.02**
Year ended 31 March 2021:									
GROSS CARRYING AMOUNT									
As at 1 April 2020	41,035.76	18,692.59	35,500.44	497.04	176.86	4,850.79	97.45	1,00,850.93	1,885.02
Additions during the year	140.87	1,317.89	5,231.80	1.15	41.76	578.47	0.21	7,312.15	14,716.69
Disposals	-	(5.05)	(0.31)	(2.03)	(8.43)	(21.22)	(1.61)	(38.65)	-
Transfers	-	-	-	-	-	-	-	-	(7,312.16)
As at 31 March 2021	**41,176.63**	**20,005.43**	**40,731.93**	**496.16**	**210.19**	**5,408.04**	**96.05**	**1,08,124.43**	**9,289.55**
ACCUMULATED DEPRECIATION									
As at 1 April 2020	-	2,759.96	11,371.85	271.01	77.40	2,369.51	29.68	16,879.41	-
Depreciation charge during the year	-	635.08	2,203.63	50.20	22.24	1,176.46	12.58	4,100.19	-
Disposals		(4.74)	(0.30)	(1.93)	(8.01)	(19.67)	(1.53)	(36.18)	-
As at 31 March 2021	**-**	**3,390.30**	**13,575.18**	**319.28**	**91.63**	**3,526.30**	**40.73**	**20,943.42**	**-**
NET CARRYING AMOUNT									
As at 31 March 2021	**41,176.63**	**16,615.13**	**27,156.75**	**176.88**	**118.56**	**1,881.74**	**55.32**	**87,181.01**	**9,289.55**

Refer note 9(a) for information on property, plant and equipment pledged as security by the Company.

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

2(b). Right-of-use assets

(See accounting policy in Note 1.7)

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Land	8,260.97	8,652.21
Buildings	433.36	909.29
Plant and machinery	328.41	434.92
Total	**9,022.74**	**9,996.42**
Lease liabilities		
Current	488.99	591.86
Non-current	364.05	832.52
Total	**853.04**	**1,424.38**

Additions to the right-of-use assets during the current financial year were INR. Nil (31 March 2020: INR 532.56).

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation charge of right-of-use assets			
Buildings		475.93	475.92
Land		393.08	372.53
Plant and machinery		106.50	97.64
Total	**19**	**975.51**	**946.09**
	Note	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Interest expense (included in finance costs)	**21**	101.43	146.09
Total		**101.43**	**146.09**

Expense relating to short-term leases and leases of low-value assets (included in other expenses - Refer Note 20)	5,340.64	5,147.33

The total cash outflow for lease for the year ended 31 March 2021 was INR 674.54 (31 March 2020: INR 637.71)

(i) Variable lease payments

The Company did not enter into lease contracts that contain variable lease options.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

2(b). Right-of-use assets (Continued)

(ii) Extension of termination options

Extension and termination options are included in a number of property, plant and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Right-of-use assets includes unamortised portion of Rs.4,676.42 (31 March 2020: Rs.4,770.08) pertaining to the amount paid for leasehold land measuring 266 acres located at Motipur, Bihar. During the previous year, the leasehold land has been reclassified to right-of-use assets in accordance with Ind AS 116. The Land was leased to the Company by Bihar State Sugar Corporation Limited (BSSCL) in 2011-2012. BSSCL's title to the land was challenged by shareholders of the sugar factory (erstwhile owners of the land) and consequently the lease to the Company was also questioned as illegal. The petition filed by the shareholders of Sugar Factory is pending before the Supreme Court of India. The lease agreement is yet to be registered in the name of the Company.

3. Intangible assets
(See accounting policy in Note 1.6)

Particulars	Computer software	Total
Year ended 31 March 2020:		
GROSS CARRYING AMOUNT		
As at 1 April 2019	1,007.12	1,007.12
Additions	51.30	51.30
Disposals	-	-
Balance as at 31 March 2020	**1,058.42**	**1,058.42**
ACCUMULATED AMORTISATION		
As at 1 April 2019	610.97	610.97
Amortisation charge for the year	322.27	322.27
Balance as at 31 March 2020	**933.24**	**933.24**
NET CARRYING AMOUNT		
As at 31 March 2020	125.18	125.18
Year ended 31 March 2021:		
GROSS CARRYING AMOUNT		
As at 1 April 2020	1,058.42	1,058.42
Additions	46.72	46.72
Disposals	-	-
Balance as at 31 March 2021	**1,105.14**	**1,105.14**
ACCUMULATED AMORTISATION		
As at 1 April 2020	933.24	933.24
Amortisation charge for the year	40.29	40.29
Balance as at 31 March 2021	**973.53**	**973.53**
NET CARRYING AMOUNT		
As at 31 March 2021	**131.61**	**131.61**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4. Financial assets

4(a). Non-current investments

Particulars	As at 31 March 2021	As at 31 March 2020
Investments measured at FVOCI		
Investments in equity instruments (fully paid-up)		
Quoted		
19,480 (31 March 2020: 19,480) equity shares of BSE Limited	111.25	57.82
Sub Total	111.25	57.82
Unquoted		
Nil (31 March 2020: 300) equity shares of New India Co-Operative Bank Limited	-	0.03
2,66,75,000 (31 March 2020: 2,66,75,000) equity shares of Indian Commodity Exchange Limited	2,984.93	3,022.28
1,00,000 (31 March 2020: 1,00,000) equity shares of Wisekey India Private Limited	95.00	95.00
Sub Total	3,079.93	3,117.31
Investments in Debt Instruments		
Quoted (Also, refer Note 9 (a) for investments pledged against loans and borrowings)		
75,500 (31 March 2020: 75,500) units of IRFC Tax Free Bonds - 2030 - 7.28%	925.62	870.13
2,85,698 (31 March 2020: 2,85,698) units of NHAI Tax Free Bonds - 2031 - 7.35%	3,428.37	3,228.38
1,40,139 (31 March 2020: 1,40,139) units of HUDCO Tax Free Bonds- 2031 - 7.39%	1,713.89	1,611.59
3,72,40,000 (31 March 2020: 3,72,40,000) units of Special Fertiliser Bonds - 2022 - 7.00% (quoted in Clearing Corporation of India Limited)	38,599.88	38,424.13
50 (31 March 2020: 50) units of Special Fertiliser Bonds- 2023 - 6.65% (quoted in Clearing Corporation of India Limited)	0.05	0.05
Sub Total	**44,667.81**	**44,134.28**
Investments in government securities - Measured at Amortised Cost		
Unquoted		
59 (31 March 2020: 59) units of National Savings Certificate - VIII Issue (Face value: Rs.10,000)	5.90	5.90
51 (31 March 2020: 51) units of National Savings Certificate - VIII Issue (Face value: Rs.5,000)	2.55	2.55
15 (31 March 2020: 15) units of National Savings Certificate - VIII Issue (Face value: Rs.1,000)	0.15	0.15
2 (31 March 2020: 2) units of National Savings Certificate - VIII Issue (Face value: Rs.500)	0.01	0.01
Sub Total	**8.61**	**8.61**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(a). Non-current investments (Continued)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in Debt Instruments - Measured at Amortised Cost		
Quoted		
500 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.50%	5,000.00	-
560 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.70%	5,682.14	-
250 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.25%	2,516.31	-
25 (31 March 2020: Nil) units of Union Bank of India Perpetual Bond - 8.64%	2,500.00	-
500 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.15%	5,000.00	-
Sub Total	**20,698.45**	**-**
Investments measured at cost		
Investments in equity instruments (fully paid-up) of subsidiary companies		
Unquoted		
Nil (31 March 2020: 10,00,000) equity shares of IPL Gujarat Port Limited	-	100.00
10,00,000 (31 March 2020: 10,00,000) equity shares of IPL Sugars and Allied Industries Limited	100.00	100.00
Sub Total	**100.00**	**200.00**
Investment in equity instruments (fully paid-up) of an associate company		
Quoted (in Amman stock exchange)		
2,25,88,500 (31 March 2020: 2,25,88,500) equity shares of Jordan Phosphate Mines Company	64,968.97	64,968.97
Sub Total	**64,968.97**	**64,968.97**
Total non-current investments	**1,33,635.01**	**1,12,486.99**
Aggregate amount of quoted investments (including quoted investments in Clearing Corporation of India Limited and Amman stock exchange)	1,30,446.48	1,09,161.07
Aggregate market value of quoted investments (including quoted investments in Clearing Corporation of India Limited and Amman stock exchange)	2,67,358.55	1,07,078.76
Aggregate amount of unquoted investments	3,188.53	3,325.92
Aggregate amount of impairment in the value of investments	-	-

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

4. Financial assets

4(a). Non-current investments (Continued)

Name of entity	Place of business/ Country of incorporation	% of ownership interest	Fair value/ Recoverable value* 31-Mar-2021	Carrying amount 31-Mar-2021
Jordan Phosphate Mines Company	Jordan	27.38%	1,66,024.93	64,968.97

*Basis the valuation report. The quoted value in Amman stock exchange is Rs. 2,02,168.00 as at 31 March 2021

Name of entity	Place of business/ Country of incorporation	% of ownership interest	Fair value/ Recoverable value* 31-Mar-2020	Carrying amount 31-Mar-2020
Jordan Phosphate Mines Company	Jordan	27.38%	84,248.92	64,968.97

*Basis the valuation report. The quoted value in Amman Stock exchange is Rs. 62,886.67 as at 31 March 2020

Jordan Phosphate Mines Company aims at mining and processing phosphate ore in Jordan. Its products complement the business of the Group. The same is classified as a Level 2 investment in accordance with Ind AS 113. The investment is not allocated to a specific segment.

In May 2018, Indian Potash Limited acquired 27.38% shares in Jordan Phosphate Mines Company.

In the previous year, due to decrease in share price, the Company performed impairment analysis. During the year, there is significant increase in share price and the Company re-assessed the recoverability.

In respect of the same, the Company has computed the recoverable amount by estimating the fair market value of the associate company using a combination of Guideline public company method (GPCM) and Market price method by assigning relevant weights.

Valuation approach and methodology:

Equity value under Market price method has been estimated by considering the Volume Weighted Average Market Price (VWAMP) for last 1 month and 3 months, current market scenario and medium-term impact of COVID-19 on the Associate Company.

The fair market value using the GPCM method of the associate company has been estimated by:

- selection of a group of comparable and similar publicly traded companies ('guideline companies'), which provide sufficient indication as to the multiple(s) of the associate company
- determining the relative level of business and financial risk of the guideline companies with that of the associate company, and
- application of market multiples from one or more guideline companies.

Key assumptions used for GPCM method:

a) **Benchmarking:** Comparable companies were identified by considering industry classification, geographical location, company type and company status, based on the functional, asset and risk analysis of the associate Company. The companies selected were subjected to further detailed analysis based on various parameters such as nature of operations, clientele, nature of services offered, and industries served etc.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(a). Non-current investments (Continued)

b) **Selection of multiples:** EBITDA of the most recent financial year ended preceding the valuation date, were used in EV/EBITDA multiples method. Based on relative margin analysis of the associate company and the availability of relevant data, 50th percentile of the EV/EBITDA multiples were selected of fair value determination.

c) **Equity value:** The enterprise value ("EV") has been arrived at by multiplying the trailing EV/EBITDA multiples as selected with the corresponding trailing financial measures respectively. Cash and cash equivalents have been added, interest bearing debt and minority interest are reduced to arrive at equity value

Valuation technique	Significant unobservable inputs	Range (weighted average)
Market approach Combination of Guideline public company method and Market price method	Interquartile Range of EV/EBITDA multiples	8.1 to 15.5 times

4 (b). Trade receivables
(See accounting policy in Note 1.10)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (including subsidy receivables Rs.1,91,474.11) (March 31, 2020 : Rs. 3,00,985.37)	3,40,539.60	5,86,839.88
Less: Allowance for doubtful debts (including provision on subsidy receivables Rs. 4,028.58) (March 31, 2020: Rs. 11,566.64)	(33,875.62)	(46,001.43)
Total receivables	**3,06,663.98**	**5,40,838.45**
Non-current	-	-
Current	3,06,663.98	5,40,838.45
Breakup of security details		
Trade receivables considered good - Unsecured	3,06,663.98	5,40,838.45
Trade receivables considered doubtful - Unsecured	33,875.62	46,001.43
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	3,40,539.60	**5,86,839.88**
Allowance for credit loss	(33,875.62)	(46,001.43)
Net trade receivables	**3,06,663.98**	**5,40,838.45**

The Company's trade receivables do not carry a significant financing element. Accordingly, the Company has adopted a simplified approach for measurement of expected credit loss.

Refer Note 9(a)(ii) for information on investments pledged as security by the Company.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(c). Cash and cash equivalents
(See accounting policy in Note 1.9)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank balances in current accounts(includes balances with EEFC account amounting to Rs.1,378.35)	15,945.75	20,202.48
Deposits with original maturity of less than three months	99,623.85	34,000.00
Cash on hand	55.24	31.96
Total Cash on hand	1,15,624.84	54,234.44

4(d). Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Bank balances in dividend accounts	48.32	38.05
Deposits with original maturity of more than 3 months	6,585.73	1,620.92
Molasses storage fund deposit account #	232.06	207.15
	6,866.11	1,866.12
# Also, refer Note 8 (b) below		
Deposits earmarked against Molasses Storage Facility Reserve fund	232.06	207.15
Deposits under lien with Pollution Control Boards	24.00	14.00
Other lien marked deposits	62.90	9.69

4(e). Loans

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Unsecured and considered good				
Loans to wholly owned subsidiaries *	-	2,498.22	-	2,508.34
Loans to employees	0.72	-	1.85	-
Total Loans	**0.72**	**2,498.22**	**1.85**	**2,508.34**

* Refer Note 26

Breakup of security details	As at 31 March 2021	As at 31 March 2020
Loans considered good - Unsecured	3,798.94	3,510.19
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	3,798.94	**3,510.19**
Allowance for credit loss	(1,300.00)	(1,000.00)
Net loans	**2,498.94**	**2,510.19**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(f). Other financial assets

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Security deposits	685.76	198.56	570.75	198.59
Advances to employees	45.29	-	42.24	-
Interest accrued on deposits	13.45	-	50.52	-
Interest accrued on bonds and Government securities	1,544.71	-	1,055.85	-
Claims receivable	2,511.88	-	2,767.39	-
Total other financial assets	**4,801.09**	**198.56**	**4,486.75**	**198.59**

5. Deferred tax assets (net)

(See accounting policy in Note 1.20)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets :		
Provision for compensated absences	173.99	168.28
Provision for doubtful assets	16,287.42	15,604.52
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	989.90	1,051.96
Others (including lease liabilities net of ROU)	22.89	20.18
Total of Deferred tax assets	**17,474.20**	**16,844.94**
Deferred tax liabilities:		
On difference between book balance and tax balance of PPE	3,176.80	2,805.72
On reserve for debt and equity instruments through OCI	1,989.93	1,955.43
Total of Deferred Tax Liabilities	5,166.73	4,761.15
Deferred tax assets (net)	**12,307.47**	**12,083.79**

Movement in deferred tax assets / (liabilities)	Opening balance	Credited / (Recognised) in profit or loss	Credited in Other Comprehensive Income	Closing balance
For the year 2020-21:				
Deferred tax (liabilities) / asset in relation to:				
Provision for compensated absences	168.28	5.71	-	173.99
Provision for doubtful assets	15,604.52	682.90	-	16,287.42
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,051.96	(16.09)	(45.97)	989.90
Lease liabilities (net of ROU)	20.18	2.72	-	22.90
Property, plant and equipment	(2,805.72)	(371.08)	-	(3,176.80)
Debt and equity instruments through OCI	(1,955.43)	-	(34.51)	(1,989.94)

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

5. Deferred tax assets (net) (Continued)

Movement in deferred tax assets / (liabilities)	Opening balance	Credited / (Recognised) in profit or loss	Credited in Other Comprehensive Income	Closing balance
For the year 2019-20				
Deferred tax (liabilities) / asset in relation to:				
Provision for compensated absences	231.28	(63.00)	-	168.28
Provision for doubtful assets	18,843.59	(3,239.07)	-	15,604.52
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,709.95	(570.20)	(87.79)	1,051.96
Lease liabilities (net of ROU)	-	20.18	-	20.18
Other liabilities	64.16	(64.16)	-	-
Property, plant and equipment	(3,380.13)	574.41	-	(2,805.72)
Debt and equity instruments through OCI	(1,816.99)	63.46	(201.90)	(1,955.43)

6. Other assets

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	1,010.24	-	3,330.64
Advance to suppliers	13,263.51	-	22,829.57	-
Balances with statutory authorities				
- Goods and services tax	26,845.98	-	32,101.91	-
- Others	1,731.94	-	1,329.82	-
Prepaid expenses	369.55	-	377.40	-
Total	**42,210.98**	**1,010.24**	**56,638.70**	**3,330.64**

7. Inventories
(See accounting policy in Note 1.11)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	1,207.29	2,165.74
Packing Materials	1,378.73	1,386.24
Work-in-progress	1,954.53	1,641.56
Finished goods (other than those acquired for trading)	78,701.59	93,283.54
Stock-in-trade (acquired for trading) * #	1,79,001.28	1,57,989.02
Stores and spares	966.35	916.51
Total Inventories	**2,63,209.77**	**2,57,382.61**
* Includes Goods in transit	**32,692.56**	**48,134.67**

A possible reasonable change in the estimates is not expected to have a significant impact on the amounts recogonised as the same would be recovered from the agent who is managing the inventory.

Refer Note 9(a)(ii) for details of inventory pledged as security

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(a). Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital Authorised 6,12,00,000 (Previous year: 6,12,00,000) equity shares of Rs 10/- each	6,120.00	6,120.00
Issued, subscribed and paid-up 2,85,97,200 (Previous year: 2,85,97,200) equity shares of Rs 10/- each, fully paid up	2,859.72	2,859.72
Total Equity share capital	**2,859.72**	**2,859.72**

(i) Movement in equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
At the commencement of the year	2,85,97,200	2,859.72	2,85,97,200	2,859.72
Add: Shares issued during the year	-	-	-	-
At the end of the year	2,85,97,200	2,859.72	2,85,97,200	2,859.72

(ii) Terms and rights attached to equity shares

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(iii) Particulars of shareholders holding more than 5% of equity shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of equity shares	No. of shares	% of equity shares
Equity shares of Rs 10/- each fully paid up, held by:				
Indian Farmers Fertilisers Cooperative Limited	97,20,000	33.99	97,20,000	33.99
Gujarat State Co-operative Marketing Federation Limited	29,88,000	10.45	29,88,000	10.45
Gujarat State Fertilisers and Chemicals Limited	22,50,000	7.87	22,50,000	7.87
Andhra Pradesh State Cooperative Marketing Federation Limited	17,82,000	6.23	17,82,000	6.23
Madras Fertilisers Limited	15,84,000	5.54	15,84,000	5.54

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Reserves and surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	7,523.74	7,523.74
General reserve	41,557.02	41,557.02
Retained earnings	3,48,202.45	2,91,908.22
Molasses Storage Facility Reserve Fund	143.30	127.54
	3,97,426.51	**3,41,116.52**
(i) Capital reserve		
Opening balance	7,523.74	7,762.49
Merger adjustments #	-	(238.75)
Closing balance	**7,523.74**	**7,523.74**
Represents profit of a capital nature which is not available for distribution as dividend.		
(ii) General reserve		
Opening balance	41,557.02	41,557.02
Less: Utilisation towards issue of bonus shares	-	-
Closing balance	**41,557.02**	**41,557.02**

General reserve is a free reserve arising from transfers from retained earnings made in the previous years. The balance is available for distribution to the members as dividend or for paying up unissued shares to be issued to the members of the Company as fully paid bonus shares.

(iii) Retained earnings		
Opening balance	2,91,908.22	2,57,596.05
On account of merger#		
Goldline Milkfood and Allied Industries Limited	-	583.94
Sri Krishna Fertillizers Ltd	-	(613.60)
Opening balance (restated)	2,91,908.22	2,57,566.39
Profit attributable to owners of the Company	57,007.21	34,699.41
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	17.71	168.89
Final dividend	(714.93)	(428.96)
Dividend distribution tax	-	(88.17)
Others - Transferred to Molasses Storage Facility Reserve Fund	(15.76)	(9.34)
Closing balance	**3,48,202.45**	**2,91,908.22**

Company's share of cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.
Refer note 32

(iv) Molasses Storage Facility Reserve Fund

Represents amount transferred from Retained earnings for utilization towards maintenance of adequate storage facilities in accordance with the order issued by the Controller of Uttar Pradesh State Sugar Corporation at the stipulated rate. The Company has earmarked bank deposits corresponding to this reserve.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(c). Other reserves

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve for debt instruments through OCI	5,638.72	5,160.18
Reserve for equity instruments through OCI	937.42	900.85
Total other reserves	**6,576.14**	**6,061.03**

The Company has elected to recognise changes in the fair value of certain investments in equity/debt securities in other comprehensive income.

These changes are accumulated within reserve for equity/debt investments through OCI within equity.

(i) Reserve for debt instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	5,160.18	3,354.37
Changes in fair value of debt instruments	533.53	1,742.35
Deferred tax on the above	(54.99)	63.46
Closing balance	**5,638.72**	**5,160.18**

(ii) Reserve for equity instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	900.85	8.96
Changes in fair value of equity instruments	16.09	1,093.79
Tax on the above	20.48	(201.90)
Closing balance	**937.42**	**900.85**

9. Financial liabilities

9(a). Borrowings
(See accounting policy in Note 1.16)

9(a)(i). Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured, at amortised cost		
From banks		
Term Loan	18,365.42	29,450.67
Total non-current borrowings	18,365.42	29,450.67
Less:Current maturities of long-term debt [included in Note 9(c)]	(11,344.75)	(19,500.00)
Total non-current borrowings	7,020.67	9,950.67
Less: Interest accrued [included in Note 9(c)]	(110.07)	(200.67)
Non - current borrowings (as per balance sheet)	**6,910.60**	**9,750.00**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Financial liabilities (Continued)

9(a)(i). Non-current borrowings

Nature of security and terms of repayment for non-current borrowings:

Term loan from Kotak Mahindra Bank

Maturity date	August - 2021
Terms of Repayment	10 quarterly installments
Installment amount	INR 4,875.00
Rate of Interest	3 months treasury bill rate + Spread of 1.61%
Security	**a.** Pledge of following investments in debt instruments is as follows: (i) 75,500 units of IRFC Tax Free Bonds - 2030 - 7.28% (ii) 2,85,698 units of NHAI Tax Free Bonds - 2031 - 7.35% (iii) 1,40,139 units of HUDCO Tax Free Bonds- 2031 - 7.39% (iv) 3,72,40,000 units of GOI Fertilizer Bonds 2022 - 7.00% Refer note 4 (a). **b.** Pledge of land of Titawi sugar unit. Refer note 2(a)

Term loan from HDFC Bank *

Maturity date	June - 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 253.50
Rate of Interest	7.10% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant
Maturity date	June - 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 250.00
Rate of Interest	8% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant
Maturity date	June - 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 28.08
Rate of Interest	7.05% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant

* Also refer note 2(a). The charge shall be created on completion of the project.

9(a)(ii) Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, at amortised cost		
From banks		
Buyers' credit	48,622.53	80,159.75
Other working capital loans	45,000.00	75,131.33

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Financial liabilities (Continued)

9(a)(ii). Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured, at amortised cost		
From banks		
Buyers' credit	1,65,694.32	1,53,847.00
Other working capital loans	-	49,705.92
Total current borrowings	**2,59,316.85**	**3,58,844.00**
Less: Interest accrued [included in Note 9(c)]	(214.01)	(1,306.12)
Current borrowings (as per balance sheet)	**2,59,102.84**	**3,57,537.88**

Nature of security and terms of repayment for current borrowings:

(a) Secured buyers' credit from consortium of banks are secured against stock and trade receivables of the Company and are repayable generally within 180-240 days of availment. These facilities carry interest rates based upon LIBOR plus agreed basis points with bankers.

(b) Other secured working capital loans include:

(i) Loan from Punjab National Bank, aggregating to Rs. Nil (31 March 2020: Rs. 33,258.04), under a Special banking arrangement approved by Ministry of Finance, carrying a net interest rate of 0% was repaid during the year.

(ii) Short-term working capital loans from HDFC Bank aggregating to Rs.Nil (31 March 2020 : Rs. 16,447.88) carrying interest rates of 7.90% per annum was repaid during the year.

(c) Other unsecured working capital loans including interest accrued comprise of :

(i) Short-term working capital loans from Mizuho Bank aggregating to Rs. 30,000 (31 March 2020 : Rs. Nil). These loans are repayable on 22 April 2021 and carry interest rates at 4.10% per annum.

(ii) Short-term working capital loans from HDFC Bank aggregating to Rs. Nil (31 March 2020 : Rs. 30,120.04) carrying interest rates at 6.35% per annum was repaid during the year.

(iii) Short-term working capital loans from Federal Bank aggregating to Rs. Nil (31 March 2020 : Rs. 20,000) carrying interest rates of 6.80% per annum was repaid during the year.

(iv) Short-term working capital loans from Axis Bank aggregating to Rs. 15,000 (31 March 2020: Rs. 20,113.57) carrying interest rates of 4% per annum and repayable by Sep 13,2021.

(v) PCFC Loan from Federal Bank aggregating to Rs. Nil (31 March 2020: Rs. 4,897.72) carrying interest rate of 2.45% per annum was repaid during the year.

(d) Unsecured Buyers' credit from banks are repayable generally within 180 days of availment. These facilities carry interest rates based upon LIBOR plus agreed basis points with bankers.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Financial liabilities (Continued)

Net Debt Reconciliation

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	1,15,624.84	54,234.44
Bank balances other than cash and cash equivalents	6,866.11	1,866.12
Current Borrowings including interest accrued	(2,59,316.85)	(3,58,844.00)
Non-current borrowings including current maturities and interest accrued	(18,365.42)	(29,450.67)
Net Debt	**(1,55,191.32)**	**(3,32,194.11)**

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and other bank balances	Non-current borrowings	Current borrowings	
Net Debt as at April 1, 2019	75,920.16	(49,110.22)	(2,86,439.50)	2,59,629.56)
Cash Flows	(19,819.60)	19,500.00	(62,624.96)	(62,944.56)
Foreign Exchange adjustments	-	-	(9,758.87)	(9,758.87)
Interest expense	-	(2,949.39)	(22,222.22)	(25,171.61)
Interest paid	-	3,108.94	22,201.55	25,310.49
Net Debt as at March 31, 2020	56,100.56	(29,450.67)	(3,58,844.00)	(3,32,194.11)
Cash Flows	66,390.39	10,994.65	97,824.30	175,209.34
Foreign Exchange adjustments	-	-	610.74	610.74
Interest expense	-	(2,786.48)	(11,989.59)	(14,776.07)
Interest paid	-	2,877.08	13,081.70	15,958.78
Net Debt as at March 31, 2021	**1,22,490.95**	**(18,365.42)**	**(2,59,316.85)**	**(1,55,191.32)**

9(b). Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
- total outstanding dues of micro and small enterprises#	-	-
- total outstanding dues of creditors other than micro and small enterprises *	2,42,002.11	3,45,375.68
Total Trade payables	**2,42,002.11**	**3,45,375.68**

* of the above trade payables, the Company has issued letter of credits aggregating to Rs. 1,75,310 (31 March 2020: Rs. 3,00,120)
# Based on the confirmation circulated by the company and provided by the suppliers.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Financial liabilities (Continued)

9(c). Other financial liabilities

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Current maturities of long term debt [refer Note 9(a)(i)]	11,344.75	-	19,500.00	-
Interest accrued [refer Note 9(a)(i) and 9(a)(ii)]	324.08	-	1,506.79	-
Cane bills payable to banks	11,792.20	-	10,511.16	-
Unpaid dividends	48.32	-	38.06	-
Payables on purchase of PPE	1,342.40	-	492.10	-
Customer discounts	9,559.11	-	9,297.93	-
Employee benefits payable	1,033.21	-	604.21	-
Trade / security deposits received	-	4,815.40	-	5,229.68
Total Other financial liabilities	**35,444.07**	**4,815.40**	**41,950.25**	**5,229.68**

9(d). Contract liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	18,741.82	6,774.29
	18,741.82	**6,774.29**

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisified in a prior year:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	6,774.29	7,680.67
Revenue recognised from the balance at the beginning of the year	(6,774.29)	(7,680.67)
Amount billed during the year, but not recognised as revenue	18,741.82	6,774.29
Closing balance	**18,741.82**	**6,774.29**

10. Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for indirect tax litigations	7,293.78	7,293.78
Total Provisions	**7,293.78**	**7,293.78**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)
Movements in provisions are set out below :

Particulars	Provisions on Tax litigations
Balance as at 1 April 2019	7,293.78
Charged / (credited to profit or loss)	-
Balance as at 31 March 2020	7,293.78
Charged / (credited to profit or loss)	-
Balance as at 31 March 2021	**7,293.78**

11. Employee benefits obligations
(See accounting policy in Note 1.21)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Employee benefits:				
- Gratuity	78.60	-	384.85	-
- Compensated absences	691.31	-	672.32	-
- Provident fund	135.83	-	92.12	-
Total Employee benefits obligations	**905.74**	-	**1,149.29**	**-**

The actuary has assessed the calculations of the Interest Rate Guarantees based on the guidance note issued by the Institute of Actuaries of India. The disclosures required under Ind AS 19 are provided below

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Interest cost	476.59	476.77	215.63	295.96
Current service cost	257.68	319.18	204.15	193.40
Expected return on plan assets	-	-	(193.39)	(209.81)
Total expense recognised in the Statement of Profit and Loss	**734.27**	**795.95**	**226.39**	**279.55**
Remeasurements:				
Actuarial losses/ (gains)				
- Financial assumption changes in DBO	-	-	(63.00)	265.60
- Experience changes on DBO	118.96	92.12	(88.78)	(619.90)
Rate on Plan assets less than discount rate	-	-	(30.86)	5.50
Total expense recognised in the Other Comprehensive Income	**118.96**	**92.12**	**(182.64)**	**(348.80)**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net defined benefit liability recognised in the balance sheet:				
Present value of Defined benefit obligation (DBO)	6,821.28	6,147.00	3,650.86	3,586.72
Fair value of plan assets at the end of the year	6,685.45	6,054.88	3,572.26	3,201.87
Net defined benefit liability recognised in the balance sheet	**(135.83)**	**(92.12)**	**(78.60)**	**(384.85)**
Changes in the Defined Benefit Obligation (DBO) during the year:				
Present value of DBO at the beginning of year	6,147.00	5,966.36	3,586.72	3,941.87
Interest cost	476.59	476.77	215.63	295.96
Current service cost	257.68	319.18	204.15	193.40
Actuarial (gains) / losses	126.47	48.29	(151.78)	(354.30)
Employees contribution	354.95	289.79	-	-
Benefits paid	(538.06)	(1,003.04)	(203.86)	(490.21)
Liabilities assumed / (settled)	(3.35)	49.65	-	-
Present value of DBO at the end of year	**6,821.28**	**6,147.00**	**3,650.86**	**3,586.72**
Changes in the fair value of assets during the year:				
Plan assets at beginning of year	6,054.88	5,966.36	3,201.87	2,782.62
Expected return on plan assets	476.59	476.77	193.39	209.81
Remeasurements due to actual return on plan assets less interest on plan assets	7.51	(43.84)	-	-
Actual company contributions	257.68	319.19	350.41	705.15
Employee contributions	354.95	289.79	-	-
Benefits paid	(538.06)	(1,003.04)	(204.27)	(490.21)
Assets acquired / (settled)	71.90	49.65	-	-
Actuarial gain / (loss)	-	-	30.86	(5.50)
Plan assets as at end of year	**6,685.45**	**6,054.88**	**3,572.26**	**3,201.87**
Current portion	135.83	92.12	78.60	384.85
Non-current portion	-	-	-	-
	135.83	**92.12**	**78.60**	**384.85**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial assumptions:				
Discount Rate	6.33%	6.04%	6.33%	6.04%
Expected rate of salary Increase	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Experience adjustments	**2020-21**	**2019-20**
Present value of DBO	10,472.14	9,733.72
Fair value of plan assets	10,257.71	9,256.75
Funded status [Surplus / (Deficit)]	(214.43)	(476.97)
Experience gain / (loss) adjustments on plan liabilities	(32.82)	(262.18)
Experience gain / (loss) adjustments on plan assets	-	-

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption (Gratuity)			Impact on Defined Benefit Obligation				
				Increase in assumption			Decrease in assumption	
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20
Discount rate	1%	1%	Decrease by	(201.52)	(182.09)	Increase by	226.87	205.04
Salary growth	1%	1%	Increase by	204.90	190.52	Decrease by	(186.90)	(173.90)

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation) calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The Company has agreed that it will aim to eliminate the deficit in defined benefit gratuity plan on an yearly basis. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India. The Company considers that the contribution rates set at the last

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are INR 220.68 lakhs

The weighted average duration of the defined benefit obligation range between 8.45 to 10.17 years (31 March 2020: 8.45 to 10.17 years) for executive and non-executive employees respectively. The expected maturity analysis of gratuity is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	445.54	694.11
Between 1 -2 years	240.02	441.63
Between 2-5 years	973.90	986.94
Over 5 years	3,726.52	3,267.34
Total	**5,385.99**	**5,390.02**

Major category of plan assets
Provident Fund

Particulars	As at 31 March 2021	As at 31 March 2020
Central and State Government Securities	3,202.63	2,744.50
Public Sector Bonds	2,066.58	1,919.77
Special Deposit Scheme	862.63	862.63
Equity shares and Mutual Funds	161.59	144.80
Bank Balance	2.01	3.24
Others	390.01	379.94
Total	**6,685.45**	**6,054.88**

Gratuity

Particulars	As at 31 March 2021	As at 31 March 2020
Asset classfication		
Insurance Fund	3,572.26	3,201.87

12. Current tax (assets) / liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax assets		
Advance tax and tax deducted at source	1,89,719.86	1,70,468.31
	1,89,719.86	1,70,468.31
Current tax liabilities		
Income tax payable	1,99,195.08	1,79,903.57
	1,99,195.08	1,79,903.57
Net current tax (assets) / liabilities	**9,475.22**	**9,435.26**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

13. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payables	2,244.91	6,077.65
Total other current liabilities	**2,244.91**	**6,077.65**

The Company has evaluated the impact of the recent Supreme Court Judgement in case of "Vivekananda Vidya Mandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In this regard, appropriate provision has been made in the Financial Statements.

14. Revenue from operations

(See accounting policy in Note 1.4)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	12,50,944.92	11,38,798.53
Less: Sales discounts	79,531.10	80,948.84
	11,71,413.82	**10,57,849.69**
Government subsidy	3,82,646.53	3,38,644.78
Sale of services	74,229.06	50,367.86
Other operating revenues	2,098.31	2,044.89
Total revenue from operations	**16,30,387.72**	**14,48,907.22**

The Company has determined that a disaggregation of revenue using existing segments and the timing of the transfer of goods or services is adequate for its circumstances. Refer note 27 - Segment Reporting for related disclosures.

No element of financing is deemed to be present as the sales are made with the credit term for a period less than one year.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products comprises :		
Manufactured goods		
Sugar and by Products	1,31,586.20	1,07,668.54
Cattle feed Products	2,661.67	7,459.74
Milk & Milk products	32,920.16	52,688.00
Total - Sale of manufactured goods	**1,67,168.03**	**1,67,816.28**

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

14. Revenue from operations (Continued)

(See accounting policy in Note 1.4)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Traded goods		
Muriate of Potash	4,23,481.64	4,23,888.93
Di Ammonium Phosphate	3,93,970.88	3,79,866.05
Urea	1,57,160.47	1,10,095.77
Complex Fertilisers	88,282.82	37,652.39
Others	20,881.08	19,479.11
Sales discounts	(79,531.10)	(80,948.84)
Total - Sale of traded goods	**10,04,245.79**	**8,90,033.41**
Government subsidy comprises:		
Traded goods		
Muriate of Potash	1,31,585.28	1,30,431.14
Di Ammonium Phosphate	1,98,089.69	1,70,887.65
Complex Fertilisers	37,984.78	16,450.46
Others	14,986.78	20,875.53
Total - Government subsidy	**3,82,646.53**	**3,38,644.78**
Other operating revenues		
- Sale of scrap	402.17	312.80
- Packing charges recovered	18.71	29.53
- Amount received from suppliers/agents towards Shortages	196.15	365.19
- Despatch / Demurrage (net)	1,481.28	1,337.37
Total Revenue from operation	**2,098.31**	**2,044.89**

15. Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income		
- Interest income earned on financial assets that are not designated as at FVTPL	1,389.38	578.19
- Bank deposits (at amortised cost)	768.40	180.90
- Interest income from Debt instruments at fair value through other comprehensive income	2,768.05	2,818.60
Dividends from mutual funds	-	1,598.28
Dividend from associate company	2,388.79	4,461.84
Profit on sale of PPE (net)	30.99	297.99
Profit on sale of investments	2,758.96	422.50
Provision / liabilities no longer required, written back	-	9,559.39
Receipts towards insurance claims	95.82	400.89
Net gain on foreign currency transactions and translation	15,934.58	-
Miscellaneous income	1,586.74	384.14
Total other Income	**27,721.71**	**20,702.72**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

16. Cost of materials consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials		
Raw materials at the beginning of the year	2,165.74	1,851.96
Add: Purchases	1,55,003.85	1,65,579.15
Less: Raw materials at the end of the year	(1,207.29)	(2,165.74)
Total cost of materials consumed	**1,55,962.30**	**1,65,265.37**

17. Changes in inventories of work-in-progress, stock-in-trade and finished goods

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Finished goods	93,283.54	85,050.32
Work in progress	1,641.56	1,459.99
Stock-in-trade	1,57,989.02	1,65,519.55
Closing stock		
Finished goods	(78,701.59)	(93,283.54)
Work in progress	(1,954.53)	(1,641.56)
Stock-in-trade	(1,79,001.28)	(1,57,989.02)
Total changes in inventories of finished goods, work-in progress and stock in trade	**(6,743.28)**	**(884.26)**

18. Employee benefit expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	7,656.52	7,134.39
Contribution to provident and other funds	734.27	797.95
Gratuity	226.39	279.55
Leave compensation	199.09	354.98
Staff welfare expenses	240.69	388.95
Total Employee benefit expense	**9,056.96**	**8,955.82**

19. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	4,100.19	3,962.30
Amortisation of intangible assets	40.29	322.27
Depreciation of right-of-use assets	975.51	946.09
Total Depreciation and amortisation expense	**5,115.99**	**5,230.66**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

20. Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	3,027.56	2,993.79
Power and fuel	1,167.86	1,352.25
Freight and Forwarding charges	1,34,386.78	1,15,140.78
Discharge & clearance expenses	46,717.96	29,388.48
Packing materials Consumed - indigenous	21,461.27	17,394.73
Godown Rent	5,180.83	4,636.19
Rent including lease rentals	159.81	511.14
Repairs and maintenance - Buildings	356.64	208.89
Repairs and maintenance - Machinery	3,878.91	3,159.54
Repairs and maintenance - Others	530.31	616.65
Restitching & Rebagging Charges	120.71	70.44
Storage & Transit Insurance	539.39	604.48
Rates and taxes	15,713.38	491.68
Communication	171.16	142.45
Travelling and conveyance	236.71	531.12
Printing and stationery	79.89	86.50
Business promotion	221.75	427.37
Legal and professional	661.09	805.93
Payments to auditors [Refer note 20(a) below]	104.88	148.87
Corporate social responsibility expenses [Refer note 20(b) below]	1,039.66	746.37
Directors sitting fees and commission	40.60	32.60
Bad trade receivables written off	-	804.59
Provision for doubtful trade and other receivables, loans (net)	(4,287.75)	9,211.74
Net loss on foreign currency transactions and translation	-	30,716.01
Miscellaneous expenses	1,038.94	1,717.52
Total other expenses	**2,32,548.34**	**2,21,940.11**

20(a). Details of payments to auditors :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payment to auditors		
As auditor:		
Audit fee (including audit of Consolidated Financial Statements)	25.00	25.00
Tax audit fee	5.00	5.00
Goods and Services Tax audit fee	10.00	-
Other services	-	15.00
In other capacities:		
Certification fees	57.00	94.58
Quarterly review	3.00	3.00
Reimbursement of expenses	4.88	6.29
Total Payments of auditors	**104.88**	**148.87**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

20(b). CSR expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to projects for rural development skills, healthcare and education (including contribution to PM Cares fund - As at March 31, 2021; Nil, March 31, 2020 - 500)	241.57	746.37
Accrual towards unspent obligations in respect to:		
Ongoing project		
Other than ongoing projects	798.09	-
Total	**1,039.66**	**746.37**
Amount required to be spent as per Section 135 of the Act	1,039.66	1,071.52
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	241.57	746.37

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Particulars	Year ended 31 March 2021
Balance unspent as at 1 April 2020	**500.00**
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-
Amount required to be spent during the year	1,039.66
Amount spent during the year	(741.57)
Balance unspent as at 31 March 2021	**798.09**

Till March 2020, it was not mandatory for the Company to spend and accordingly there was no necessity for the Company to make provision and consequently shortfall, if any relating to the previous years need not be contributed to funds specified in Schedule VII as the section was introduced on January 22, 2021 and prospective in nature. As regards to the shortfall relating to the FY 2020-21, the Company will comply with the provisions within the timelines specified in the Notification.

21. Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on bank overdraft and loans	9,793.14	15,347.16
Interest on delayed remittance of income taxes	235.12	64.90
Exchange difference regarded as an adjustment to borrowing costs	2,105.85	7,332.77
Other interest & bank charges	2,877.08	2,496.50
Interest expense on lease liability	101.43	146.09
Total Finance costs	**15,112.62**	**25,387.42**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

22. Income tax expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Income tax expense recognized in Profit and Loss:		
Current tax	19,291.51	14,718.01
Deferred tax	(304.16)	3,333.10
Total Income Tax expense recognized during the year	**18,987.35**	**18,051.11**
Income tax reconciliation:		
Profit before tax	**75,994.56**	**52,750.52**
Applied tax rate	25.17%	25.17%
Income tax expense calculated at Applied Tax rate	19,126.31	13,276.25
Total income tax expense recognized during the year	18,987.35	18,051.11
Differential tax impact	**(138.96)**	**4,774.86**
Differential tax impact due to the following Tax benefits / (Tax expense) :		
Tax on exempt Income	(191.29)	(495.00)
Interest on tax liability	53.71	16.33
Expenses not allowable, net	261.66	187.85
Change in tax rate	-	4,884.03
Others	(263.04)	181.65
Total	**(138.96)**	**4,774.86**

The Government of India has introduced the Taxation Laws (Amendment) Ordinance 2019 in September 2019 to make certain amendments in the Income-tax Act 1961 and the Finance (No. 2) Act 2019. In order to promote growth and investment, a new section- Section 115BAA has been inserted in the Income-tax Act with effect from FY 2019-20 to allow any domestic company an option to pay income-tax at the rate of 22% (plus applicable surcharge and cess) subject to conditions that they will not avail any exemption/incentive. The effective tax rate for these companies shall be 25.168% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

Conditions specified under eligibility criteria of section 115BAA :

Such companies should not avail any exemptions/incentives under different provisions of income tax. Therefore, the total income of such company shall be computed:

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and

(iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

23. Earnings per share

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Profit attributable to the equity holders of the Company	57,007.21	34,699.41
Weighted average number of equity shares outstanding during the year (in Nos.)	2,85,97,200	2,85,97,200
Face value of share (Rs.)		
Earnings per Share	10.00	10.00
- Basic (Rs.)	199.35	121.34
- Diluted (Rs.)	199.35	121.34

24. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	2,181.00	12,456.00

25. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Company not acknowledged as debt - Disputed dues relating to supplies / other civil cases	90.00	90.00
Claims against the Company not acknowledged as debt - Disputed dues relating to value added tax	9,565.30	4,759.03
Disputed customs duty demand for which the Company has preferred an appeal before the CESTAT	13,260.80	11,639.39
Claims against the Company not acknowledged as debt - Disputed refunds relating to Goods and Services Tax	12,486.50	-
Claims against the Company not acknowledged as debt - Disputed dues relating to Other Indirect Tax cases	869.08	-
Disputed income tax demands contested in Appeals not provided for:		
- Appeal pending before Commissioner of Income Tax (Appeals) for the AY 2014-15	11.70	91.19

(a) Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). No order has yet been passed by the Cane Commissioner and the amount of interest, if any, payable has also not been determined. Based on the legal opinion received by the Industry Association, possibility of the liability crystallizing on this score is remote. Accordingly, no provision in considered necessary for such improbable liability.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

25. Contingent liabilities (Continued)

(b) The Company has claimed refund under GST regulations in accordance with the provisions of the law. In certain states, the refunds have been admitted and in others it has been rejected. The refunds under rule 89(5) of Central Goods and Services Tax Rules , 2017, which has been rejected and for which the company is contesting as at March 31, 2021 amounts to INR 6,862.35. The Company is also contesting the IGST payable on ocean freight charges amounts to INR 1,425.70. The Company believes that it can successfully defend the case.

(c) Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Company in respect of these disputes depends upon the final outcome of such cases and the quantum of this is not currently ascertainable.

(d) There are certain regulatory authorities who have been seeking information from the Company relating to purchases made/sales made to the dealers. The Company has been responding to these matters. The Company expects no financial impact in this regard.

(e) The Central Bureau of Investigation(CBI) has filed a FIR against the Managing Director of the Company alleging that:

(i) during the period 2007-2014, the fertilizers have been imported by the Company at inflated prices and claimed higher subsidies from Government of India ('GOI') and caused losses to the exchequer.

(ii) commission were paid by the overseas suppliers to relatives of the Managing Director resulting in diverting and siphoning off funds.

The aforesaid matters were discussed in the Board Meeting held on June 1, 2021.

The Board felt that it contains unverified allegations and also based on incorrect assumptions and incomplete appreciation of facts on record. It is also felt that the subsidy is not company specific and not a function of imports, but for the outlier method for certain period.

The Board of Directors directed the management to provide all the information relating to the case to all regulatory authorities as and when requested.

The Management has been responding to the questions raised by CBI both through written form and also by way of attending in person on various dates.

Since the matter is at a preliminary stage, the Board of Directors believe that no independent investigation is necessary at this stage as the CBI being a premier investigation agency is already investigating the matter. The Managing Director continues to discharge his official duties as decided and approved by the Board. Financial Impact and internal control lapse during the check period, if any, would be known only upon the conclusion of the investigation.

The Company would take necessary steps as it deem fit and take action, if any, based on the progress of the case.

The Company has a strong internal control mechanism in place for various activities and it would continue to evaluate and strengthen its internal controls.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

25. Contingent liabilities (Continued)

(f) The Company's composition of the Board and CSR Committee (from August 2020), sub-committees-Audit Committee and Nomination and Remuneration Committee (Prior and Post August 2020) was not in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder. Subsequently on August 10, 2021, the Company has reconstituted the Board and various sub-committees of Board to comply with the provisions of the Companies Act, 2013. The Company has obtained a secretarial view that the non-compliance of the composition regarding Board and various sub-committees will not have any impact on the decisions taken by the Board/ sub-committee. The Company could not appoint independent directors replacing the outgoing independent directors and also efforts to get extension of their term did not fructify in time due to COVID related restrictions and lock down etc, which disrupted normal and regular working in offices. Further, the Company believes that the impact of penalty, if any, to the above said matters will not be material to the financial statements.

(g) With respect to related party transactions, the company has obtained post-facto approval by the audit committee instead of prior-approval as required under section 177 of The Companies Act, 2013.

26. Related party transactions

A. List of related parties

Name of the related party and nature of relationship

Significant influence over the entity
Indian Farmers Fertiliser Co-operative Limited (IFFCO)

Subsidiaries of the above entity
IFFCO-Tokio General Insurance Company Limited
IFFCO eBazar Limited
Kisan International Trading FZE

Subsidiary company
IPL Sugars and Allied Industries Limited
IPL Gujarat Port Limited (till 30 September 2020)

Associate
Jordan Phosphate Mines Company

Subsidiary of the above entity
Nipon Jordan Fertilizers Company Limited

Key Management Personnel
Dr. P. S. Gahlaut
Shri. R. Srinivasan, CFO (considered as KMP from April 2020)

Other Directors
Shri. Sundeep Kumar Nayak, IAS, Director
Dr. U.S. Awasthi, Director
Shri. Prem Chandra Munshi, Director
Shri. Dileep Sanghani, Director
Shri. Mukesh Puri, IAS (from Febuary 2021)
Shri. Shivakumar Gowda Patil, Director
Shri. Amarjit Singh Samra, Director (Upto September 2020)
Dr. Sunil Kumar Singh, Director (from September 2020)

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions (Continued)

Shri. Dusmanta Kumar Behra, IAS, Director (from June 2020)
Shri. S. C. Mudgerikar, Director
Shri. M. Murugan, Director
Shri. Santosh Kumar Dash OAS (S), Director
Shri. Balvinder Singh Nakai, Director (Upto August 2020)
Shri. Devinder Kumar, Director (Upto August 2020)
Ms. Reena Kaishing, Director (Upto August 2020)
Ms. Swathi Meena Naik, Director (Upto June 2020)
Shri. Arvind Agarwal, IAS, Director (Upto Febuary 2021)

Trusts
Indian Potash Limited Staff Provident Fund
Indian Potash Non-Executive Staff Gratuity Fund
Indian Potash Executive Staff Gratuity Fund
Indian Potash Senior Executive Staff Superannuation Fund

B. Transactions with key management personnel

Particulars	As at 31 March 2021	As at 31 March 2020
Remuneration and other benefits *	175.07	99.20
Directors sitting fees, commission and others	46.20	39.48
	221.27	**138.68**

* Amount attributed to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Transactions with related parties other than key management personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Investing party - Indian Farmers' Fertiliser Co-operative Limited (IFFCO)		
Sale of goods	94,002.82	1,11,971.46
Insurance charges recovered	39.36	100.59
Service charges recovered	112.09	108.98
Discounts	10,634.33	9,744.91
Dividend paid	224.78	145.80
Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited		
Sale of goods	21.37	-
Sale of services	15.30	-
Services availed	713.05	999.71

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions (Continued)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Subsidiary of IFFCO-IFFCO eBazar Limited		
Sale of goods	224.29	294.23
Discounts	4.17	-
Subsidiary of IFFCO-Kisan International Trading FZE		
Services availed	1,165.81	547.54
Despatch income	30.92	32.79
Associate company - Jordan Phosphate Mines Company		
Purchases of goods	26,508.34	38,483.41
Dividend received	2,388.79	4,461.84
Subsidiary of Jordan Phosphate Mines Company-Nipon Jordan Fertilizers Company Limited		
Purchases of goods	5,301.66	-
Indian Potash Limited Staff Provident Fund		
Contribution to provident fund	257.68	253.87
Indian Potash Non-Executive Staff Gratuity Fund		
Contribution to gratuity fund	50.00	388.00
Indian Potash Executive Staff Gratuity Fund		
Contribution to gratuity fund	100.00	100.00
Indian Potash Senior Executive Staff Superannuation Fund		
Contribution to super annuation fund	62.04	49.35

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions (Continued)

D. Outstanding balances arising from sales / purchase of goods and services

Particulars	As at 31 March 2021	As at 31 March 2020
Indian Farmers' Fertiliser Co-operative Limited (IFFCO)		
Trade receivable (Sale of goods & services)	13.75	10,994.26
Customer Discounts Payable	8,405.87	6,765.31
Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited		
Trade receivable	533.69	473.61
Trade Payable	4.16	4.32
Subsidiary of IFFCO-IFFCO eBazar Limited		
Trade receivable	89.06	82.14
Subsidiary of IFFCO-Kisan International Trading FZE		
Trade Payable	3.11	-
Associate company - Jordan Phosphate Mines Company		
Trade Payable (Purchase of Goods)	59.30	-

E. Loans/Advances to related parties

Particulars	IPL Sugars and Allied Industries Limited
31 March 2021	
Opening balance	2,508.34
Loans/Advances given	15.51
Loans/Advances repaid	-
Interest income	274.37
Loss allowance	(300.00)
Closing balance	**2,498.22**
31 March 2020	
Opening balance	3,226.86
Loans/Advances given	22.12
Loans/Advances repaid	-
Interest income	259.36
Loss allowance	(1,000.00)
Closing balance	**2,508.34**

There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowance has been recognised during the year in respect of receivables due from related parties except for INR 1,300 (31 March 2020: INR 1,000) provided for receivable from IPL Sugars and Allied Industries Limited.

All outstanding balances are unsecured and repayable in cash.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

27. Segment reporting

Ind AS 108 establishes standards for reporting information about operating segments and related disclosure about product and services, geographical areas and major customers. Based on 'management approach' as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments. Accordingly information has been presented along business segment. The accounting principle used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and or as set out in the significant accounting policies.

Business segment of the Company comprise of:-

(i) Fertilisers - Trading of fertilisers

(ii) Sugar and its related by-products.

(iii) Others - Manufacturing of Cattle feed / Poultry feed, Milk and Milk Products and trading of Gold and other precious metals.

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets. Segments assets do not include investments and income tax assets which are managed by treasury function.

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. Segments liabilities do not include borrowings and income tax liabilities which are managed by treasury function.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

A. BUSINESS SEGMENT INFORMATION

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Fertiliser	Sugar	Others	Total	Fertiliser	Sugar	Others	Total
Revenue from operations	14,50,228.74	1,43,698.47	36,460.51	16,30,387.72	12,70,342.77	1,17,773.58	60,790.87	14,48,907.22
Identifiable operating expenses	13,85,898.13	1,43,493.68	37,610.88	15,67,002.69	12,15,291.26	1,14,728.96	61,451.77	13,91,471.99
Segment operating income	64,330.61	204.79	(1,150.37)	63,385.03	55,051.51	3,044.62	(660.90)	57,435.23
Unallocable expenses				15,112.18				25,387.42
Operating profit				48,272.85				32,047.81
Other income	15,934.58	-	-	15,934.58	9,559.39	40.83	-	9,600.22
Unallocable income	-			11,787.13				11,102.50
Profit before income tax				75,994.56				52,750.52
Income tax expense				18,987.35				18,051.11
Net profit				57,007.21				34,699.41

In respect of Segment revenue of Fertiliser, sale of services which are recognized over a period of time upon the completion of services aggregates to Rs 14,964.79 (31 March 2020 - Rs 7,585.19) for domestic sales.

Particulars	As at 31 March 2021				As at 31 March 2020			
	Fertiliser	Sugar	Others	Total	Fertiliser	Sugar	Others	Total
B. SEGMENT ASSETS								
Segment assets	5,49,670.74	1,81,882.20	9,148.19	7,40,701.13	7,63,231.49	1,76,278.96	18,267.62	9,57,778.07
Unallocated Corporate assets				2,53,950.77				1,84,257.34
Total Assets				**9,94,651.90**				**11,42,035.41**
C. SEGMENT LIABILITIES								
Segment Liabilities	2,20,323.77	97,065.11	1,044.44	3,18,433.32	3,33,599.69	56,884.79	3,784.17	3,94,268.65
Unallocated Corporate liabilities				2,69,356.21				3,97,729.49
Total Liabilities				**5,87,789.53**				**7,91,998.14**
Capital expenditure	**2,248.13**	**12,443.74**	**71.52**	**14,763.39**	**5,037.96**	**1,483.19**	**10.39**	**6,531.54**

Entity wide disclosures
The entity is domiciled in India

Particulars	As at 31 March 2021			As at 31 March 2020		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue by Geographical area	16,14,402.39	15,985.33	16,30,387.72	14,19,863.55	29,043.67	14,48,907.22
Carrying amount of Segment Assets	9,24,846.54	69,805.36	9,94,651.90	10,67,968.58	74,066.83	11,42,035.41
Capital expenditure	14,763.39	-	14,763.39	6,531.54	-	6,531.54
Non- Current assets	1,010.24	-	1,010.24	3,330.64	-	3,330.64

There are no single customer contributing to revenue more than 10% of the total revenue of the Company.
For the revenue from major product categories, refer Note 14.

Notes to standalone financial statements as at and for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements

28.1 Financial instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investment in equity Instruments #	-	3,191.18	-	-	3,175.13	-
Investment in debt instruments	-	44,667.81	-	-	44,134.28	-
Investment in government securities	-	-	8.61	-	-	8.61
Investment in perpetual bonds	-	-	20,698.45	-	-	-
Trade receivables	-	-	3,06,663.98	-	-	5,40,838.45
Cash and cash equivalents	-	-	1,15,624.84	-	-	54,234.44
Bank balances other than cash and cash equivalents	-	-	6,866.11	-	-	1,866.12
Loans	-	-	2,498.94	-	-	2,510.19
Other financial assets	-	-	4,999.65	-	-	4,685.34
TOTAL FINANCIAL ASSETS	**-**	**47,858.99**	**4,57,360.58**	**-**	**47,309.41**	**6,04,143.15**
Financial liabilities						
Borrowings including accrued interest and current maturities	-	-	2,77,682.27	-	-	3,88,294.67
Trade payables	-	-	2,42,002.11	-	-	3,45,375.68
Other financial liabilities	-	-	28,590.64	-	-	26,173.14
Lease liabilities	-	-	853.04	-	-	1,424.38
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**5,49,128.06**	**-**	**-**	**7,61,267.87**

Excludes investments which are measured at cost being:

a) investments in equity instruments of wholly owned subsidiaries aggregating to Rs. 100 (31 March 2020: Rs. 200) and

b) investments in equity instruments in Associate company to Rs. 64,968.97 (31 March 2020: Rs.64,968.97)

The equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these strategic investments and the group considered to be more relevant.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements (Continued)

28.2 Valuation technique and processes :

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, current borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non current loans and security deposits have also been assessed to be approximate to their carrying amount since the loans are repayable on contractual terms. 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.

The fair value of the equity instruments which are quoted are based on price quotations at reporting date. The fair value of unquoted Equity and Debt instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Fair values of the Company's interest-bearing borrowings and loans are determined by using discount rate(effective interest rate) that reflects the issuer's borrowing rate as at the end of the reporting year.

The Company enters into derivative financial instruments with Banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. As at each period presented, the marked-to-market value of derivative liability/asset position has been recognized in the financial statements.

28.3 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments at FVTOCI				
Investment in Equity Instruments	111.25	-	3,079.93	3,191.18
Investment in Debt Instruments	6,067.88	38,599.93	-	44,667.81

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements

Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in government securities	-	-	8.61	8.61
Investment in perpetual bonds	20,698.45	-	-	20,698.45
Financial liabilities				
Non current borrowings	-	-	6,910.60	6,910.60

Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTOCI				
Investment in Equity Instruments	57.82	-	3,117.31	3,175.13
Investment in Debt Instruments	5,710.10	38,424.18	-	44,134.28

Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in government securities	-	-	8.61	8.61
Investment in perpetual bonds	-	-	-	-
Financial liabilities				
Non current borrowings	-	-	9,750.00	9,750.00

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: Traded bonds , over the counter derivatives that are not traded in an active market is determined using observable market data and less reliance on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities are included in level 3.

28.4 Fair value of financial assets and financial liabilities measured at amortised cost

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment in government securities	8.61	8.61	8.61	8.61
Investment in perpetual bonds	20,698.45	20,698.45	-	-
TOTAL ASSETS	**20,707.06**	**20,707.06**	**8.61**	**8.61**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements (Continued)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowings	6,910.60	6,910.60	9,750.00	9,750.00
TOTAL LIABILITIES	**6,910.60**	**6,910.60**	**9,750.00**	**9,750.00**

The carrying amounts of trade receivables, trade payables, other current financial assets and liabilities, cash and cash equivalents and other Bank balances are considered to be the same as their fair values, due to their short-term nature. The fair value of non current loans and security deposits have also been assessed to be approximate to their carrying amount since the loans are repayable on contractual terms.

The fair values for non current borrowings have been assessed to be approximate to their carrying amount since the borrowings carry a variable interest rate linked to the market.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

28.5 Derivative financial instruments

Derivative financials instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and fore-casted cash flows denominated in foreign currency. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and foreign curren-cy forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	31 March 2021	31 March 2020
USD in Lakhs (sell)	20.00	-

The foreign exchange forward and option contracts mature anywhere between 3-30 days. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date :

Non-designated derivative instruments (buy)		
Not later than 3 months		
USD in Lakhs	-	-

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

29(i). Credit risk

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

a) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer (Government and Non-Government). The risk relating to dues from Government (which represents subsidy receivable) and export customer has been assessed by the management as not to be material. In respect of Non-Government customers, the demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

b) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Expected credit loss for trade receivables under simplified approach (Non-Government receivables excluding export receivables)

As at 31 March 2021:

Ageing	Not due	0-90 days past due	90 to 180 days past due	180 to 270 days past due	270 to 360 days past due	360 to 720 days past due	More than 720 days past due	Total
Gross carrying amount	63,867.72	35,470.82	11,754.86	2,033.71	2,444.51	4,801.65	20,922.20	1,41,295.47
Expected loss rate	1.18%	2.52%	8.20%	17.14%	32.01%	74.70%	100.00%	
Expected credit losses (loss allowance provision)	(755.33)	(892.15)	(963.41)	(348.51)	(782.38)	(3,586.76)	(20,922.20)	(28,250.74)
Carrying amount of trade receivables (net of impairment)	**63,112.39**	**34,578.67**	**10,791.45**	**1,685.20**	**1,662.13**	**1,214.89**	**-**	**1,13,044.73**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (Continued)

As at 31 March 2020:

Ageing	Not due	0-90 days past due	90 to 180 days past due	180 to 270 days past due	270 to 360 days past due	360 to 720 days past due	More than 720 days past due	Total
Gross carrying amount	1,27,704.90	74,707.42	32,545.01	7,794.43	4,301.66	8,136.04	19,023.11	2,74,212.57
Expected loss rate	1.67%	3.08%	8.64%	17.66%	32.32%	66.32%	100.00%	
Expected credit losses (loss allowance provision)	(2,133.40)	(2,303.17)	(2,812.91)	(1,376.28)	(1,390.30)	(5,395.62)	(19,023.11)	(34,434.79)
Carrying amount of trade receivables (net of impairment)	**1,25,571.50**	**72,404.25**	**29,732.10**	**6,418.15**	**2,911.36**	**2,740.42**	-	**2,39,777.78**

29(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The cash position of the Company is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	1,15,624.84	54,234.44
Bank balances	6,866.11	1,866.12
Total	**1,22,490.95**	**56,100.56**

a) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2021	As at 31 March 2020
Expiring within one year - short term borrowings and other facilities expiring 31 March 2021 (Fund and non fund based)	8,60,202.00	6,10,807.78

b) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020 :

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (Continued)

Particulars	As at 31 March 2021			
	Less than one year	1-2 years	2 years and above	Total
Fixed interest rate borrowings	2,19,175.98	-	-	2,19,175.98
Variable interest rate borrowings (Refer note below)	45,341.99	4,566.51	2,854.08	52,762.58
Lease liabilities	532.83	309.21	11.00	853.04
Trade payables	2,42,002.11	-	-	2,42,002.11
Other financial liabilities	35,444.07	-	4,815.40	40,259.47
Total	**5,42,496.98**	**4,875.72**	**7,680.48**	**5,55,053.18**

Particulars	As at 31 March 2020			
	Less than one year	1-2 years	2 years and above	Total
Fixed interest rate borrowings	2,33,028.69	-	-	2,33,028.69
Variable interest rate borrowings (Refer note below)	1,24,509.19	9,750.00	-	1,34,259.19
Lease liabilities	591.86	681.14	151.38	1,424.38
Trade payables	3,45,375.68	-	-	3,45,375.68
Other financial liabilities	41,950.25	-	5,229.68	47,179.93
Total	**7,45,455.67**	**10,431.14**	**5,381.06**	**7,61,267.87**

Note:

The variable interest rate borrowings carry an interest rate which are linked to the market and hence in absence of known amount of outflow in respect of interest, the current undiscounted amounts have been disclosed.

29(iii). Foreign currency risk

The Company's exchange risk arises from foreign currency expenses, (primarily in U.S. Dollars and Euros) and foreign currency borrowings (in U.S. dollars). A significant portion of the Company's purchase of stock in trade are in these foreign currencies. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's costs measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed in recent periods and may continue to fluctuate in the future. The Company has a Corporate Treasury department which meets on a periodic basis to formulate the strategy for foreign currency risk management. The Company does not primarily deal with derivative instruments.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (Continued)

The following table presents foreign currency risk from non-derivative financial instruments as of 31 March 2021 and 31 March 2020:

As at 31 March 2021

Particulars	USD Lakhs	INR Equivalent (in Lakhs)	EUR Lakhs	INR Equivalent (in Lakhs)	AED Lakhs	INR Equivalent (in Lakhs)
Assets:						
EEFC Account	18.85	1,378.35	-	-	-	-
Trade receivables	8.00	586.88	-	-	-	-
Liabilities:						
Borrowings	2,933.16	2,14,443.31	-	-	-	-
Trade payables	2,087.04	1,52,583.54	52.61	4,511.70	8.01	159.36

As at 31 March 2020

Particulars	USD Lakhs	INR Equivalent (in Lakhs)	EUR Lakhs	INR Equivalent (in Lakhs)	AED Lakhs	INR Equivalent (in Lakhs)
Assets:						
Trade receivables	132.65	9,999.16	-	-	-	-
Liabilities:						
Borrowings	3,179.66	2,39,682.77	-	-	-	-
Trade payables	2,988.36	2,25,262.75	-	-	-	-

Sensitivity analysis

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
USD Sensitivity		
INR/USD - Increase by 10% (31 March 2020-10%)	27,228.42	34,043.64
INR/USD - Decrease by 10% (31 March 2020-10%)	(27,228.42)	(34,043.64)
Euro Sensitivity		
INR/Euro - Increase by 10% (31 March 2020-10%)	337.62	-
INR/Euro - Decrease by 10% (31 March 2020-10%)	(337.62)	-
AED Sensitivity		
INR/AED - Increase by 10% (31 March 2020-10%)	11.95	147.74
INR/AED - Decrease by 10% (31 March 2020-10%)	(11.95)	(147.74)

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (continued)

29(iv) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has been availing borrowings at fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in interest market rates. The borrowings on a variable rate on interest are subject to interest rate risk as defined in Ind AS 107.

Interest earned : Interest rates on debt instruments and Bank deposits are fixed and hence do not expose the company to significant interest rate risk.

Classification of borrowings by nature of interest rate:

Particulars	31 March 2021	31 March 2020
Borrowings at variable interest rate:		
- Current	45,000.00	1,24,509.00
- Non-current (including current maturities)	18,255.35	29,250.00
Borrowings at fixed interest rate :		
- Current	2,14,102.84	2,33,028.88
- Non-current (including current maturities)	-	-

Interest rate sensitivity analysis

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
Interest rates increase by 10 percentage	(20.00)	(43.91)
Interest rates decrease by 10 percentage	20.00	43.91

The Company has availed short term loan facilities at specified interest rates and such interest rates are linked to LIBOR/Treasury bill rates (March 31, 2020: LIBOR/Treasury bill rates).

29(v) Price risk

The Company is exposed to price risks arising from investments in Debt and Equity instruments. These investments are held for strategic purposes only and not for the purposes of trading. The sensitivity analyses given below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower other comprehensive income/ equity for the year ended 31 March 2021 would increase/ decrease by Rs. 478.59(31 March 2020: Rs. 473.09) as a result of the changes in fair value of equity and debt investments measured at FVTOCI. There is no impact of change in equity price on profit or loss.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

30. Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain shareholders' and lenders' confidence and to sustain future development of the business. Capital Base comprises of Equity Share Capital and Other Equity. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Particulars	As at 31 March 2021	As at 31 March 2020
Net Debt (Total borrowings and lease liabilities net of cash and cash equivalents)	1,56,044.36	3,33,618.49
Total equity	4,06,862.37	3,50,037.27
Net Debt to Equity Ratio	**38.35%**	**95.31%**

The net debt to equity ratio for the current year has decreased from 95.31% to 38.35% following the repayment of term loans during the year.

(ii) Loan Covenants

The Company has complied with loan covenants as at March 31, 2021

(iii) Dividends

(i) Equity shares		
Final dividend paid during the year 2020 - 2021 of INR 2.5 (31 March 2020 – INR 1.5) per fully paid share	714.93	428.96
DDT on final dividend*	-	88.17
(ii) Dividends not recognised at the end of the reporting period	1,143.89	714.93

In addition to the above, proposed dividend of INR 4.00 (31 March 2020 – INR 2.5) per fully paid share is subject to the approval of shareholders in the ensuing annual general meeting and are not recognised as a liability as at the respective balance sheet date.

* Dividend Distribution Tax (DDT) has been repealed in Finance Act 2020

31. Disclosure of information in terms of section 186 (4) of the Companies Act, 2013 :

Name of entity	Nature of relationship	31 March 2021	31 March 2020
Carrying amount of investments made:			
New India Co-Operative Bank Limited	Not a related Party	-	0.03
Indian Commodity Exchange Limited	Not a related Party	2,984.93	3,022.28
BSE Limited	Not a related Party	111.25	57.82
IPL Sugars and Allied Industries Limited	Related Party	100.00	100.00
Jordan Phosphate Mines Company	Related Party	64,968.97	64,968.97
Wisekey India Private Limited	Not a related Party	95.00	95.00
BOB Perpetual Bond	Not a related Party	18,198.45	
Union Bank of India Perpetual Bond	Not a related Party	2,500.00	-
Sub- total		**88,958.60**	**68,244.10**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

31. Disclosure of information in terms of section 186 (4) of the Companies Act, 2013 : (Continued)

Name of entity	Nature of relationship	Purpose	31 March 2021	31 March 2020
Loans given: IPL Sugars and Allied Industries Limited	Related Party	Business needs and exigencies	2,498.22	2,508.34
Sub- total			**2,498.22**	**2,508.34**
Grand Total			**91,456.82**	**70,752.44**

32. Scheme of arrangement

The Board of Directors, at its meeting held on August 14, 2019, approved a scheme of amalgamation, pursuant to Section 233 of Companies Act, 2013 ("the scheme"), with appointed date as April 1, 2019. The scheme provides for merger of Goldline Milkfood and Allied Industries Limited (GMAIL), Sri Krishna Fertilisers Limited (SKFL), and IPL Gujarat Port Limited (IGPL) ('transferor companies'), with the Company ('transferee company').

The Company and all the aforesaid subsidiaries had approached the Regional Director, Registrar of Companies, Southern Region ('RD') with a proposal to merge their businesses in accordance with the provisions of Section 233 of the Companies Act, 2013. The said proposal was approved by RD on September 30 , 2020 with an appointed date of April 1, 2019 for the merger.

The Company has accounted for the merger as per the scheme in accordance with the "pooling of interests" method, as prescribed by Appendix C – "Business combination of entities under common control" of Ind AS 103 – "Business Combinations" for GMAIL and SKFL and Asset Acquisition for IGPL . In accordance with the said scheme:

a) The business combination has been accounted at the start of the earliest period presented, i.e., April 1, 2019 as the amalgamating affiliates and the Company were under common control as on that date.

b) The assets and liabilities of the transferor companies have been taken over by the Company and recorded at their respective book values; and

c) The difference between the value of consideration paid at the time of acquisition and the amount of share capital of transferor companies, has been transferred to Capital reserve. The details of transfer to capital reserve is as hereunder:"

Particulars	GMAIL (includes step down - SKFL)
Investment	67.08
Extinguishment of equity capital of combining entities	(69.43)
Excess	**(2.35)**

Particulars	SKFL
Investment of GMAIL in SKFL	273.18
Extinguishment of equity capital of combining entities	(32.08)
Deficit	**241.10**

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

32. Scheme of arrangement (Continued)

d) For Asset acqusition the difference between cost of investment and fairvalue of net financial assets and liabiltities as on approval date (September 30,2020) would be recognsied as a charge to the profit and loss account. The details of the same are as below:

Particulars	IGPL
Investment	96.42
Extinguishment of equity capital of combining entities	(2.62)
Cost of investment	(100.00)
Excess	**(6.20)**

The details of net assets acquired and reserves of combining entities as at April 1, 2019, pursuant to the scheme, are as given below:

Particulars	*GMAIL	IGPL	Total
Property, plant and equipment and other intangible assets	218.03	603.30	821.33
Financial assets	273.18	-	273.18
Other assets	816.43	798.81	1,615.24
Financial liabilities	(573.86)	(1,703.15)	(2,277.01)
Other liabilities	(80.39)	(280.48)	(360.87)
Net assets acquired	653.39	(581.52)	71.87
Reserves of combining entities	(583.94)	613.60	29.66

*The accouting treatement for GMAIL has been carried out as a common control transaction as per Ind AS 103 – "Business Combinations in accordance with the approved scheme though the same had to be accounted as an Asset Acquistion as the Company did not meet the definition of business under Ind AS 103. The Company believes that the impact of the same is not material to the financial statements.

Notes to standalone financial statements as at and for the year ended 31 March 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

33. The covid 19 pandemic is unprecedented and measures to contain it has caused significant disturbances and slow down of economic activity. The Company is in the business of trading fertilizers, manufacturing sugar, dairy products and other agro related products. Since the above industry have been identified as essential service, the Company is in a position to provide the above products subject to certain logistical challenges, which the Company foresees to overcome. Management believes that it has taken into account all the possible impact of known events arising due to COVID -19 pandemic in preparation of the standalone financial statements as at March 31, 2021. The company continues to monitor the economic effects of the pandemic and assess the impact if any

34. The company secretary has resigned on July 2, 2021. The company is in the process of appointing a company secretary. For the said reasons, the Financial statements has not been authenticated by a companty secretary.

35. Previous Year's figures are recast/regrouped wherever necessary to confirm to the classification of the current year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

P.S.Gahlaut
Managing Director
DIN: 00049401

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : New Delhi
Date : 8 September 2021

R. Srinivasan
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAN POTASH LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Indian Potash Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate (refer Note 30 to the attached consolidated financial statements), which comprise the consolidated balance sheet as at March 31, 2021, and 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 prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the indeterminate effect of the matters referred to in the Basis for Qualified Opinion paragraph given below, 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 associate as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to:

(a) Note 25(e) to the consolidated financial statements, regarding the ongoing investigation conducted by the Central Bureau of Investigation (the "CBI") against the Managing Director and one of the Directors of the Holding Company and their relatives mentioned in the CBI First Information Report (the "FIR") alleging that the Holding Company had imported fertilizers at inflated prices, claimed higher subsidies from Government of India and payment of commission by overseas suppliers through complex transactions to the persons mentioned in the CBI FIR resulting in diversion and siphoning of funds abroad during the period 2007-2014, which was audited by another firm of Chartered Accountants. The matter is pending investigation by the CBI, and the High Court of Delhi, vide its order dated May 31, 2021 has directed, in this respect, that no coercive steps shall be taken against the aforesaid. However, pending completion of investigation by the CBI, the Board has not carried out any independent investigation and the adjustments, if any, and alleged non-compliances with laws and regulations including under the Indian Penal Code, 1860 and the Prevention of Corruption Act, 1988, if any, that may arise on completion of such investigation and the consequential impact on the consolidated financial statements, is not ascertainable at this stage.

(b) Note 25(f) to the consolidated financial statements, regarding Holding Company's composition of the Board of directors regarding independent directors, woman director and rotational director and sub committees such as the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, which are not in accordance with Sections 177(2), 178(1) and 135(1) respectively of the Act and rules made there under for the periods referred to in the aforesaid Note. The consequential impact of this matter on the consolidated financial statements is currently not ascertainable.

(c) Note 25(g) to the consolidated financial statements regarding the Holding Company's non-compliance with regard to Section 177 of the Companies Act, 2013 and related Rules thereunder as prior approval of the related party transactions by the Audit Committee was not obtained, and the aforesaid transactions were subsequently ratified. The impact of this matter on the consolidated financial statements, if any, is presently not ascertainable.

4. 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 17 and 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

5. We draw your attention to Note 36 to the consolidated financial statements in respect of the Scheme of Amalgamation (the "scheme") between the Holding Company and Goldline Milkfood and Allied Industries Limited, IPL Gujarat Port Limited and Sri Krishna Fertilizers Limited, its wholly owned subsidiaries and step down subsidiary respectively, which has been accounted for in accordance with the accounting treatment and appointed date as approved by the Regional Director vide its Order dated September 30, 2020. The accounting treatment prescribed in respect of amalgamation of Goldline Milkfood and Allied Industries Limited is as per Appendix C of Ind AS 103, the beginning of the preceding period, which is different from that as per applicable accounting standards, which require the amalgamation to be accounted for as an acquisition of assets on the date of approval of the Regional Director.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

6. The following Key Audit Matters were included in the audit report dated March 31, 2021, containing an unmodified audit opinion on the consolidated financial statements of Jordan Phosphates Mines Company – Public Shareholding Company, an associate of the Holding Company issued by an independent firm reproduced by us as under:

   "Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

   We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements."

<table>
<tr><th>Key audit matter</th><th>How the key audit matter was addressed in the audit</th></tr>
<tr><td>Revenue recognition

(Refer to note 23 on the Consolidated financial statements of Jordan Phosphate Mines Company – Public Shareholding Company)

The Group focuses on revenue as one of its main performance measures, and given the importance of the amounts and the geographical diversity of the Group's operations and the ease with which these revenues are exposed to the risks of overstatement in value and fraud, we consider the revenue recognition as a key audit matter.

Revenues are recognized when the Group meets the performance obligations in accordance with the contracts signed with customers when the goods are sold to customers and the invoice is issued, which usually occurred at a specific point in time.</td><td>The audit procedures included an assessment of the Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Group's controls around revenue recognition and key controls within the revenue cycle.

We have tested the accuracy of revenue recognition by selecting a sample of sales invoices and match them with contracts and selling prices agreed upon.

We have tested a sample of revenues journal entries recorded during the year based on predetermined standards.

We have selected a sample of revenues before and after year – end proper recording in the proper period.

We have also performed detailed revenue analysis using financial and non-financial information.

The details of revenues are set out in note 23 to the consolidated financial statements of Jordan Phosphates Mines Company – Public Shareholding Company is reproduced as note 35 to the accompanying consolidated financial statements.</td></tr>
<tr><td>Impairment in Goodwill

(Refer to the note 6 on the consolidated financial statements of Jordan Phosphate Mines Company – Public Shareholding Company)

In compliance with International Financial Reporting Standards (IFRS), the Group is required to annually test goodwill for impairment. The annual impairment test is important for our audit, as the balance of JD 15,680 thousand as of 31 December 2020, is material to the consolidated financial statements. In addition, management's assessment process is complex and highly judgmental, and is based on assumptions, specifically the discount rate and the growth rate estimates which are affected by expected future market and economic conditions. Any changes in assumptions could result in impairment of the goodwill. Accordingly, we consider impairment testing of goodwill to be a key audit matter.</td><td>We used valuation experts to assist us in evaluating the assumptions and methodologies used by the Group, in particular, those relating to discount rates, forecasted revenue growth and profit margins for the cash generating units; and we have focused on the adequacy of the group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

The details of goodwill are set out in Note 6 to the Consolidated financial statements of Jordan Phosphate Mines Company - Public Shareholding Company is reproduced as note 35 to the accompanying consolidated financial statements.</td></tr>
</table>

Provisions for employees' benefits	
(Refer to the note 17 on the consolidated financial statements of Jordan Phosphate Mines Company – Public Shareholding Company) As disclosed in note 45 on the consolidated financial statements, the Group changed the accounting treatment for the Death and Compensation fund from defined contribution plan to defined benefit plan as a result of the Group reconsideration of the assumptions used to estimate the Death and Compensation fund's ability to meets its obligations which resulted in contractual obligations on the Group, accordingly prior years were restated. The Group has different employee benefit plans such as defined contribution plans whereas the Group's financial obligations are limited to the Company's share of contribution or defined benefit plans "Death and Compensation fund". The measurement of the Death and Compensation fund provision is considered a key audit matter because the balance as of 31 December 2020 amounting to JD 105,520 thousand is material to the consolidated financial statements. Furthermore, measuring the defined benefit obligations plans liability using the projected unit credit method requires used certain assumptions related to the present value of future expected payments and the actuarial assumptions related to the resignation rates, salary increase rates and discount rates. Whereas the calculation of the defined benefit obligations plans liability is performed in accordance with actuarial studies as required by International Accounting Standards (IAS 19) "Employees benefits".	The audit procedures included an assessment of the accounting policies followed by the Group to recognize liabilities. Moreover, we involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the actuarial expert, specifically those related to discount rates, resignation rates, salary increase rates and mortality rates. Nevertheless, we have assessed the extent of the independence and the qualification of the actuarial expert. We tested the accuracy of the assumptions and information used in the calculation of the employees' benefits liabilities by taking a sample of employees' contracts and payroll slips. We evaluated the sufficiency of disclosures made by the Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19). Furthermore, we evaluated whether the accounting treatments for the prior year restatements and related disclosures are in accordance with International Accounting Standards (IAS 8). The details of Provisions for Employees' Benefits and Restatement of Prior Years are set out in Notes 17 and 45 respectively to the Consolidated financial statements of Jordan Phosphate Mines Company - Public Shareholding Company are reproduced as note 35 to the accompanying consolidated financial statements.

Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

8. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

9. 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 and the reports of the other auditors as furnished to us (Refer

paragraphs 17 and 18 below), 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

10. The Holding Company's Board of Directors is 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 and consolidated cash flows, and changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate 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 associate respectively, 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 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.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

13. 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 auditors' 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.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate 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.

15. We communicate with those charged with governance of the Holding Company 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.

16. 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.

Other Matters

17. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 2,495.40 lakhs and net assets of Rs. (1,304.62) lakhs as at March 31, 2021, total revenue of NIL, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 295.70 lakhs and net cash flows amounting to Rs (0.34) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The

financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

18. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive loss) of Rs. 9,454.44 lakhs for the twelve months period ended December 31, 2020 as considered in the consolidated financial statements, in respect of an associate company, located outside India have not been audited by us and is based on the financial statements prepared in accordance with accounting principles generally accepted in its respective country and have been audited by other auditor under generally accepted auditing standards applicable in their respective country for the twelve months period ended December 31, 2020. The Holding Company's management has converted the financial statements of the associate located outside India from the accounting principles generally accepted in their respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such associate located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and except for the matters referred to in Basis for Qualified Opinion paragraph above, 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, except for the matters referred to in the Basis for Qualified Opinion paragraph above, 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), 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 and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, except for the indeterminate effect of the matters referred to in Paragraph 3(a), 3(b) and 3(c) of the Basis for Qualified Opinion above the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the

Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to maintenance of accounts and other matters, reference is made to our comments in Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" wherein we have expressed a qualified opinion.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate – Refer Notes 10, 25 and 30 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

20. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN : 21213126AAAAFS9255

Place : Chennai
Date : 8 September 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 19(h) of the Independent Auditors' Report of even date to the members of Indian Potash Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Indian Potash Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2021:

a) The Holding Company's internal financial controls over compliance with laws and regulations, were not operating effectively which could potentially result in Holding Company's non-compliance with the applicable laws and regulations (Refer paragraphs 3(a), 3(b) and 3(c) of the main audit report)

b) The Holding Company's internal financial controls over period end financial review process, were not operating effectively which could potentially result in the Holding Company's non-adjustment of financial statement line items, including with regard to provisions, contingencies and commitments. (Refer paragraph 3(a) of the main audit report)

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI and except for the effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the internal financial controls with reference to financial statements of the Holding Company and its subsidiary were operating effectively as of March 31, 2021.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2021, and the material weakness has affected our opinion on the consolidated financial statements of the Company for the year ended on that date and we have issued a qualified opinion on the consolidated financial statements. (Refer paragraph 3 of the main audit report).

Other Matters

12. 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 financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership Number: 213126
UDIN : 21213126AAAAFS9255

Place : Chennai
Date : 8 September 2021

Consolidated balance sheet as at 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2(a)	87,053.63	83,844.15
Right-of-use assets	2(b)	9,022.74	9,994.59
Capital work-in-progress	2(a)	9,289.55	1,885.02
Goodwill on consolidation		409.83	409.83
Intangible assets	3	131.65	125.22
Investments accounted for using equity method	30	1,18,289.51	84,244.04
Financial assets			
i. Investments	4(a)(i)	68,566.05	47,318.02
ii. Other financial assets	4(b)	198.56	196.74
Deferred tax assets (net)	5(a)	2,747.77	8,779.70
Other non-current assets	6	3,501.11	5,825.14
Total non-current assets		**2,99,210.40**	**2,42,622.45**
Current assets			
Inventories	7	2,63,209.77	2,57,382.62
Financial assets			
i. Investments	4(a)(ii)	-	96.33
ii. Trade receivables	4(c)	3,06,663.98	5,40,838.42
iii. Cash and cash equivalents	4(d)	1,15,629.28	54,239.30
iv. Bank balances other than cash and cash equivalents	4(e)	6,866.11	1,894.90
v. Loans	4(f)	0.72	1.85
vi. Other financial assets	4(b)	4,801.09	4,457.97
Other current assets	6	42,210.98	56,650.53
Total current assets		**7,39,381.93**	**9,15,561.92**
Total assets		**10,38,592.33**	**11,58,184.37**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8(a)	2,859.72	2,859.72
Other equity			
Reserves and surplus	8(b)	4,36,872.22	3,54,676.39
Other reserves	8(c)	10,946.06	8,635.02
Equity attributable to owners of the Group		**4,50,678.00**	**3,66,171.13**
Total equity		**4,50,678.00**	**3,66,171.13**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	9(a)(i)	6,910.60	9,750.00
ii. Lease liabilities	2(b)	364.05	832.52
iii. Other financial liabilities	9(b)	4,815.40	5,224.68
Deferred tax liabilities (net)	5(b)	-	4.34
Total non-current liabilities		**12,090.05**	**15,811.54**
Current liabilities			
Financial liabilities			
i. Borrowings	9(a)(ii)	2,59,102.84	3,57,537.88
ii. Lease liabilities	2(b)	488.99	591.86
iii. Trade payables	9(c)		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		2,42,055.33	3,45,390.37
iv. Other financial liabilities	9(b)	35,444.07	41,949.19
Contract liabilities	9(d)	18,741.82	6,774.30
Provisions	10	7,293.78	7,293.78
Employee benefits obligations	11	905.74	1,155.34
Current tax liabilities (net)	12	9,475.22	9,448.08
Other current liabilities	13	2,316.49	6,060.90
Total current liabilities		**5,75,824.28**	**7,76,201.70**
Total liabilities		**5,87,914.33**	**7,92,013.24**
Total equity and liabilities		**10,38,592.33**	**11,58,184.37**

The accompanying notes are an integral part of these financial statements. This is the consolidated balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

U.S.Awasthi
Director
DIN: 00026019

Place : New Delhi
Date : 8 September 2021

P.S.Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Consolidated statement of profit and loss for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	14	16,30,387.72	14,48,335.50
Other income	15	25,051.57	15,986.34
Total income		**16,55,439.29**	**14,64,321.84**
Expenses			
Cost of materials consumed	16	1,55,962.30	1,64,488.06
Purchases of stock-in-trade		11,71,061.94	9,90,964.30
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17	(6,619.53)	(851.76)
Employee benefits expense	18	9,060.90	8,959.82
Depreciation and amortisation expense	19	5,115.99	5,230.66
Other expenses	20	2,32,251.70	2,21,153.65
Finance costs	21	15,112.63	25,381.87
Total expenses		**15,81,945.93**	**14,15,326.60**
Profit before share of net profits of investments accounted for using equity method and tax		**73,493.36**	**48,995.24**
Share of net profits of investments accounted for using equity method	30	10,145.02	34,168.07
Impairment loss/ reversal of impairment on investment in associate company	30	26,979.82	(26,979.82)
Profit before tax		**1,10,618.20**	**56,183.49**
Income tax expense	22		
Current tax		19,291.51	14,718.01
Deferred tax		6,065.63	3,759.86
Total tax expense		**25,357.14**	**18,477.87**
Profit for the year		**85,261.06**	**37,705.62**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Debt instruments through other comprehensive income	8(c)	533.53	1,742.35
Exchange difference on translation on foreign operations	8(c)	2,167.95	1,662.76
Income tax relating to items that may be reclassified to profit or loss(FVOCI)		(427.01)	(217.32)
		2,274.47	**3,187.79**
Items that will not be reclassified to profit or loss:			
Gain/ losses on equity instruments at fair value through other comprehensive income (FVTOCI)	8(c)	16.09	1,093.79
Remeasurements of post-employment benefit obligations	11	63.68	256.68
Share of other comprehensive income of associate accounted using equity method		(2,858.53)	(6.53)
Income tax relating to items that will not be reclassified to profit or loss		465.03	(288.59)
		(2,313.73)	**1,055.35**
Total other comprehensive income		**(39.26)**	**4,243.14**
Total comprehensive income for the year		**85,221.80**	**41,948.76**
Earnings per equity share	**23**		
Basic (in Rs.)		298.14	131.85
Diluted (in Rs.)		298.14	131.85

The accompanying notes are an integral part of these financial statements. This is the consolidated statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

U.S.Awasthi
Director
DIN: 00026019

Place : New Delhi
Date : 8 September 2021

P.S.Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Consolidated statement of changes in equity for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

a. Equity share capital

Particulars	Note	
Balance as at 1 April 2019		**2,859.72**
Changes in equity share capital during 2019-20	8(a)	-
Balance as at 31 March 2020		**2,859.72**
Changes in equity share capital during 2020-21	8(a)	-
Balance as at 31 March 2021		**2,859.72**

b. Other equity

Particulars	Other Equity							Total equity attributable to equity holders of the Group
	Reserves & Surplus			Other Comprehensive Income (OCI)				
	Capital reserve	General reserve	Retained earnings	Molasses Storage Facility Reserve Fund	Debt instrument through other comprehen-sive income	Equity instrument through other comprehen-sive income	Foreign Currency translation reserve	
Opening balance as at 1 April 2019	7,762.49	41,557.02	2,67,881.30	118.20	3,354.37	2.85	1,203.55	3,21,879.78
Profit for the year	-	-	37,705.62	-	-	-	-	37,705.62
Other comprehensive income (net of tax)	-	-	168.89	-	1,805.81	886.46	1,381.98	4,243.14
Total comprehensive income for the year	**-**	**-**	**37,874.51**	**-**	**1,805.81**	**886.46**	**1,381.98**	**41,948.76**
Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b))	-	-	(9.34)	9.34	-	-	-	-
Transactions with owners in their capacity as owners:								
Final dividend	-	-	(428.96)	-	-	-	-	(428.96)
Dividend distribution tax	**-**	**-**	**(88.17)**	**-**	**-**	**-**	**-**	**(88.17)**
Closing balance as at 31 March 2020	**7,762.49**	**41,557.02**	**3,05,229.34**	**127.54**	**5,160.18**	**889.31**	**2,585.53**	**3,63,311.41**
Opening balance as at 1 April 2020	**7,762.49**	**41,557.02**	**3,05,229.34**	**127.54**	**5,160.18**	**889.31**	**2,585.53**	**3,63,311.41**
Profit for the year	-	-	85,261.06	-	-	-	-	85,261.06
Other comprehensive income (net of tax)	-	-	(2,350.30)	-	478.54	36.57	1,795.93	(39.26)
Total comprehensive income for the year	-	-	82,910.76	-	478.54	36.57	1,795.93	85,221.80
Molasses Storage Facilities Reserve Fund (Refer Note 8(b))	-	-	(15.76)	15.76	-	-		-
Transactions with owners in their capacity as owners:								
Final dividend	-	-	(714.93)	-	-	-	-	(714.93)
Closing balance as at 31 March 2021	**7,762.49**	**41,557.02**	**3,87,409.41**	**143.30**	**5,638.72**	**925.88**	**4,381.46**	**4,47,818.28**

The accompanying notes are an integral part of these financial statements. This is the consolidated statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

U.S.Awasthi
Director
DIN: 00026019

Place : New Delhi
Date : 8 September 2021

P.S.Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Consolidated statement of cash flows for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	1,10,618.20	56,183.49
Adjustments for		
Depreciation and amortisation expense	5,115.99	5,230.66
Finance costs	15,112.63	25,381.87
Unrealised difference on translation of assets and liabilities	(562.22)	20,754.72
Bad trade receivables written off	-	804.59
Provision for doubtful trade and other receivables, loans and advances	(4,587.75)	8,211.73
Share of profits of associate	(10,145.02)	(34,168.07)
Impairment loss/(Reversal) on investment in associate company	(26,979.82)	26,979.82
Provision for GST receivable	15,000.00	-
Dividend income	-	(1,603.08)
Interest Income on financial assets	(4,644.48)	(3,320.05)
Provision no longer required written back	(4,847.42)	(9,559.39)
Profit on sale of investment	(2,758.96)	(422.50)
Profit on sale of fixed assets, net	(30.99)	(297.99)
	91,290.16	**94,175.80**
Change in operating assets and liabilities		
Decrease/ (Increase) in trade receivables	2,37,541.54	(1,20,158.69)
Decrease in loans	1.13	-
Decrease/ (Increase) in other financial assets	137.48	(1,582.23)
Decrease/ (Increase) in other non-current assets	-	(59.75)
Increase in other current assets	(572.28)	(9,387.26)
Increase in inventories	(5,827.15)	(328.95)
(Decrease) / Increase in trade payables	(97,817.55)	16,300.21
Decrease / (Increase) in other financial liabilities	295.50	(12,945.32)
Increase in other non-current liabilities	-	0.62
Increase in contract liabilities and other current liabilities	8,134.79	1,764.68
Decrease in employee benefit obligations	(179.87)	(418.83)
Cash generated from/ (used in) operations	**2,33,003.75**	**(32,639.72)**
Less: Income taxes paid	**(19,226.06)**	**(12,061.98)**
Net cash inflow/ (outflow) from operating activities	**2,13,777.69**	**(44,701.70)**
Cash flow from investing activities:		
Payments for property, plant and equipment, intangible assets and capital work in progress	(11,592.70)	(9,088.35)
Sale proceeds of property, plant and equipment	33.46	347.22
Proceeds from sale of assets held for sale	-	52.45
Purchase of non-current investments	(20,623.89)	(2.51)
Proceeds from sale of current investments	13,60,451.06	12,67,668.80
Purchase of current investments	(13,57,692.10)	(12,67,246.31)
Dividends received from mutual funds	-	1,603.08
Dividend received from associate company	2,388.79	4,461.84
Bank deposits made	(4,989.72)	(694.23)
Liquid mutual fund and fixed maturity plan securities	-	(96.33)
Loans to wholly owned subsidiaries (made)/realised	-	-
Interest received on financial assets	4,748.41	3,371.15
Net cash (used in)/ from investing activities	**(27,276.69)**	**376.81**

Consolidated statement of cash flows for the year ended 31 March 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from financing activities		
Proceeds from long term borrowings	8,505.35	-
Repayment of long term borrowings	(19,500.00)	(19,500.00)
(Repayment of)/ Proceeds from short term borrowings and cane bills payable to banks	(96,543.26)	69,236.12
Principal portion of lease payments	(573.11)	(491.62)
Dividend on shares (including dividend distribution tax for previous year)	(704.67)	(513.11)
Interest paid	(16,295.33)	(25,521.49)
Net cash (used in)/ from financing activities	**(1,25,111.02)**	**23,209.90**
Net increase/(decrease) in cash and cash equivalents	61,389.98	(21,114.99)
Add: Cash and cash equivalents at the beginning of the financial year	54,239.30	75,354.29
Cash and cash equivalents at the end of the year	**1,15,629.28**	**54,239.30**
Non-cash financing and investing activities		
Acquisition of right-of-use assets (refer note 2b)	-	532.56
Reconciliation of cash and cash equivalents as per statement of cash flows:		
	As at 31 March 2021	**As at 31 March 2020**
Cash and cash equivalents (refer note 4(d))	1,15,629.28	54,239.30
Balances as per statement of cash flows	1,15,629.28	54,239.30

The accompanying notes are an integral part of these financial statements. This is the consolidated statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

U.S.Awasthi
Director
DIN: 00026019

Place : New Delhi
Date : 8 September 2021

P.S.Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1. Overview and significant accounting policies

1.1. Group overview

Indian Potash Limited (IPL) (‘ the Company’) is a leading importer involved in distribution of Muriate of Potash , Di-Ammonium Phosphate , Sulphate of Potash, Urea, Rock Phosphate, Gypsum etc. across the country including certain in-accessible areas, duly serviced by Regional offices operating in almost all State Capitals.

The Company along with its subsidiaries (hereinafter referred to as “the Group”) is also involved in the business of manufacturing of Cattle feed products, Milk and milk products, Sulphitation and refined Sugar and trading of Gold and other precious metals.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Chennai, Tamilnadu, India.

1.2. Basis of preparation of consolidated financial statements

Compliance with Ind AS

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, at the end of each reporting period as explained in the accounting policies below, and have complied in all material respects with the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and /or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices);
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

New and amended standards adopted by the Group

The Group has applied following standards and amendments for the first time in their annual reporting period commencing April 01, 2020.

(a). Definition of Material – amendments to Ind AS 1 and Ind AS 8

(b). Definition of a Business – amendments to Ind AS 103

(c). COVID-19 related concessions – amendments to Ind AS 116

(d). Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1.2.1. Basis for consolidation

Indian Potash Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Consolidation of subsidiary begins when the parent obtains control over the subsidiary and ceases when the parent loses control of its subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the parent gains control until the date when the parent ceases to control the subsidiary.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

Name of the entity	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at	
		31 March 2021	31 March 2020
IPL Sugar and Allied Industries Limited (IPSAL)	India	100%	100%

1.2.2 Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting based on the accounting policy followed by the associate.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The financial statements of the associate are prepared as of a date different from that used by the holding company. Adjustments if any, are made for the effects of significant transactions or events that occur between that date and the date of the holding company financial statements. The difference between the end of the reporting period of the associate and that of the group is not more than three months.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

1.2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

1.2.4. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which Goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is not reversed in the subsequent periods.

On disposal of the relevant cash –generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1.3. Use of estimates and judgements

In preparing these financial statements, Management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

1.3.1. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

1.3.2. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

a. There is no judgement involved in Revenue recognition.

b. NRV - Expenses related to purchases like freight subsidy is adjusted for calculating the NRV

c. Tax provision management uses its judgement on the probability of the outcome of the case and accordingly provision is created.

1.3.3. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an on-going basis.

The areas involving critical estimates and judgements are :

S.No.	Particulars	Note
1.	Fair value measurements and valuation processes (including impairment evaluation)	1.12 and 1.13
2.	Revenue recognition (sale of goods including subsidy income)	1.4
3.	Provision for doubtful receivables	1.13
4.	Physical verification of inventories	1.10
5.	Provision for employee benefits	1.20

1.4. Revenue recognition

Revenue is measured at the value of the consideration received or receivable on sale of goods/rendering of services in the ordinary course of the Group's activities.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The Group recognises revenue from sale of goods based on a five step model as set out in Ind AS 115, Revenue from contracts with customers.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting returns, trade allowances and rebates and excludes applicable indirect taxes.

The Group accounts for a contract when it has approval and commitment from the customer, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Group apply judgement in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1.4.1. Sale of goods

Revenue in respect of sale of goods is recognised at a point in time when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue from the sales is recognised based on price specified in the contract. The Group accounts for volume discounts, other discounts and pricing rebates to customers as a reduction of revenue based on the rateable allocation of the discounts/rebates amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/rebate.

1.4.2. Government Grant

Subsidy income is from sale of products recognised on the basis of the rate notified from time to time by the Government of India in accordance with Nutrient Based Subsidy (NBS) policy on the quantity of Fertilizers sold by the Group for the period for which notification has been issued.

Freight and other subsidies are recognised based on the notified rates/policy and when there is a reasonable assurance that the Group will comply with all necessary conditions attached to Subsidy.

Cane subsidy for the Sugar operations from the State Government is recognised when there is reasonable assurance that the subsidy will be received and all attaching conditions are complied with.

1.4.3. Rendering of Services

Revenue from providing services including freight and handling are recognised in the books as and when services are rendered over the period of performance obligation.

1.4.4. Other income

Other income comprises primarily of interest income, dividend income, exchange gain /loss on forward contracts and on translation of other assets and liabilities. Interest income is recognised using the effective interest method and accounted on accrual basis. Dividend income is recognised when the right to receive payment is established.

Interest on trade receivables, dispatch/demurrage claim and compensation/recoveries made from Government of India are accounted as and when received, on account of uncertainty in their collection.

Insurance claims are accounted for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.5. Property, plant and equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in the profit & loss within 'Other Income'.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready for use before such date are disclosed under "Capital work-in-progress".

Depreciation methods, estimated useful lives and residual value

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The useful lives of the assets are based on useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1.6. Intangible assets and amortisation

Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(a) it is technically feasible to complete the software so that it will be available for use

(b) management intends to complete the software and use or sell it

(c) there is an ability to use or sell the software

(d) it can be demonstrated how the software will generate probable future economic benefits

(e) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and

(f) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of three years.

1.7. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and Liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the present value of the Fixed payments.

Lease payments to be made under reasonably certain extension option are also included in the measurement of liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain the asset of the similar value to the right-of –use asset in a similar economic environment with similar terms, security and conditions. The Group has considered the incremental borrowing rate which reflects risk-free interest rate adjusted for credit risk for leases held by the Group.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost at initial measurement of the lease liability. Right-of-use assets are generally depreciated over the asset's useful life on the straight line basis.

Payments associated with the short term leases of equipment and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short- term leases are leases with lease term of 12 months or less.

1.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the current liabilities in the balance sheet.

1.9. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.10.Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost on weighted average basis and net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and 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 other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The company's Fertilizers are stored in various ports in the form of heaps. The same is verified and measured by independent surveyors. Stocks are stored with CFA agents and the availability of the same has been confirmed by them. The company appoints surveyors to estimate the inventories based on volumetric analysis and density of the stock.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1.11.Financial instruments

1.11.1. Initial recognition

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are initially measured at fair value except for trade receivables which are initially measured at a transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost of fair value, depending on the classification of the financial assets.

1.11.2. Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

Financial asset that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

Financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the “Reserve for equity instruments through other comprehensive income”. The cumulative gain or loss is not classified to profit or loss on disposal of the investments.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss and included in other Income in the period in which it arises. Interest income from these financial assets is included in other income.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The impact of the fair value changes are included in other income.

1.11.3. De-recognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.12.Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

The Group has made certain investments which are not held for trading. The Group has elected the FVTOCI irrevocable option for these investments.

1.13.Impairment

a. Financial assets

The Group recognises loss allowances 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 other financial assets, 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, as applicable, as the case may be. The amount of ECLs (or reversals, if any) that is required to adjust the loss allowance

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the profit or loss.

b. Non-financial assets

(i) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating units to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

1.14.Trade and other payables

The amount represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms of the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.15.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.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.15.1. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

1.16.Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of the money and risks specific to the liability.

The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

1.17.Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Group is the Indian rupee. The financial statements are presented in Indian rupee (rounded off to lakhs; one lakh equals 100 thousands).

(ii) Transactions and balances

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rate in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains / (losses).

Exchange differences arising on translation of the foreign operations are recongised in other comprehensive income and accumulated in a separate reserve within equity.

1.18.Earnings per equity share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.19.Income taxes

The income tax expense comprises current and deferred income tax. Income tax expense or credit for the period is the tax payable on the current period's taxable income using the income tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities are recognised for all temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.20.Employee benefits

1.20.1. Short-term employee obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1.20.2. Other long-term employee obligations

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date and remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.20.3. Post employment obligations

1.20.3.1. Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each Balance Sheet date using the projected unit credit method. The Group fully contributes all ascertained liabilities to the "Indian Potash Executive Staff Gratuity Fund" ('the Trust') and to "Indian Potash Non-executive Staff Gratuity Fund" ('the Trust'). Trustees of the fund administrator makes contributions to the Trusts and contribution are invested in a scheme with SBI Life Insurance Company Limited.

The Group recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements, if any, of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of the plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the Statement of profit and loss.

1.20.3.2. Superannuation

Certain employees of Indian Potash Limited are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with SBI Life Insurance Company Limited.

1.20.3.3. Provident fund

Eligible employees of Indian Potash Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Indian Potash Limited Staff Provident Fund. ('the Trust') The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government-administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

1.21.Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group assesses the financial performance and position of the Group and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker. Refer note 27 for segment information presented.

1.22.Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

1.23.Contributed equity

Equity shares are classified as equity.

1.24.Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.25.Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.26.Recent regulatory updates and accounting pronouncements

1.26.1. Ministry of Corporate Affairs ('MCA') on March 24, 2021 have notified amendments to schedule III to the Act. The amendments relate to certain disclosures in the financial statements. The key amendments have been discussed below.

Balance Sheet:

(a) Presentation of obligation towards leases under 'financial liabilities' with appropriate segregation as current and non-current;

(b) Additional presentations relating to restatement of prior period balances due to errors, etc in statement of changes in equity;

(c) Disclosures relating to shareholding by promoters;

(d) Specific presentation for trade receivables, trade payables, capital work in progress and intangible assets under development;

(e) Disclosures in instances where the funds borrowed from banks and financial institutions have not been used for the purpose for which they were borrowed; and

(f) Specific disclosure under 'additional regulatory requirement' on matters like schemes of arrangements, compliance on layers of companies, title deeds of immovable property not held in name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Notes to the consolidated financial statements as at and for the year ended 31 March 2021

Statement of profit and loss:

(g) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are being evaluated by the Group and will be complied with as and when they become applicable.

1.26.2. Code on Social security.

The Code on Social Security, 2020 that was approved by the Indian Parliament is expected to have an impact on the employment and post employment benefits to employees in India across various sectors of the industry. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will complete its evaluation once the subject rules are notified and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to consolidated financial statements as at and for the year ended March 31, 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

2 (a) Property, Plant and equipment

(See accounting policy in Note 1.5)

Particulars	Land Freehold	Buildings	Plant and equipment	Furnitures and Fix-tures	Vehicles	Office equipment and computers	AV Van and Equip-ment	Total	Capital work-in-progress
Year ended 31 March 2020:									
GROSS CARRYING AMOUNT									
As at 1 April 2019	40,758.55	17,188.23	32,584.70	472.11	166.59	3,779.17	78.21	95,027.56	958.73
Additions during the year	277.22	1,494.23	2,477.65	17.10	29.46	1,089.27	21.34	5,406.27	926.29
Disposals / adjustments	-	(72.06)	(0.08)	(2.58)	(19.18)	(40.31)	(8.91)	(143.12)	-
Transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**41,035.77**	**18,610.40**	**35,062.27**	**486.63**	**176.87**	**4,828.13**	**90.64**	**1,00,290.71**	**1,885.02**
ACCUMULATED DEPRECIATION									
As at 1 April 2019	-	2,137.12	8,880.13	211.59	71.32	1,253.63	24.37	12,578.16	-
Depreciation charge during the year	-	605.05	2,135.58	51.01	20.59	1,137.37	12.70	3,962.30	-
Disposals	-	(31.50)	(0.06)	(2.38)	(14.51)	(36.97)	(8.48)	(93.90)	-
As at 31 March 2020	**-**	**2,710.67**	**11,015.65**	**260.22**	**77.40**	**2,354.03**	**28.59**	**16,446.56**	**-**
NET CARRYING AMOUNT									
As at 31 March 2020	41,035.77	15,899.73	24,046.62	226.41	99.47	2,474.10	62.05	83,844.15	1,885.02
Year ended 31 March 2021:									
GROSS CARRYING AMOUNT									
As at 1 April 2020	41,035.77	18,610.40	35,062.27	486.63	176.87	4,828.13	90.64	1,00,290.71	1,885.02
Additions during the year	140.87	1,317.89	5,231.80	1.15	41.76	578.47	0.21	7,312.15	14,716.68
Disposals / adjustments	-	(5.05)	(0.31)	(2.03)	(8.43)	(21.22)	(1.61)	(38.65)	-
Transfers	-	-	-	-	-	-	-	-	(7,312.15)
As at 31 March 2021	**41,176.64**	**19,923.24**	**40,293.76**	**485.75**	**210.20**	**5,385.38**	**89.24**	**1,07,564.21**	**9,289.55**
ACCUMULATED DEPRECIATION									
As at 1 April 2020	-	2,710.67	11,015.65	260.22	77.40	2,354.03	28.60	16,446.57	-
Depreciation charge during the year	-	635.08	2,203.63	50.20	22.24	1,176.46	12.58	4,100.19	-
Disposals	-	(4.74)	(0.30)	(1.93)	(8.01)	(19.67)	(1.53)	(36.18)	-
As at 31 March 2021	**-**	**3,341.01**	**13,218.98**	**308.49**	**91.63**	**3,510.82**	**39.65**	**20,510.58**	**-**
NET CARRYING AMOUNT									
As at 31 March 2021	**41,176.64**	**16,582.23**	**27,074.78**	**177.26**	**118.57**	**1,874.56**	**49.59**	**87,053.63**	**9,289.55**

Refer note 9 (a) for information on property, plant and equipment pledged as security by the Group.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

2 (b) Right-of-use assets
(See accounting policy in Note 1.7)
(i) Amounts recognised in balance sheet
The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2021	As at 31 March 2020
Right-of-use assets		
Land	8,260.97	8,650.38
Buildings	433.36	909.29
Plant and machinery	328.41	434.92
Total	**9,022.74**	**9,994.59**
Lease liabilities		
Current	488.99	591.86
Non-current	364.05	832.52
Total	**853.04**	**1,424.38**

Additions to the right-of-use assets during the current financial year were Rs. Nil (31 March 2020: INR 532.56)

(ii) Amounts recognised in the statement of profit and loss
The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation charge of right-of-use assets			
Buildings		475.93	475.92
Land		393.08	372.53
Plant and machinery		106.50	97.64
Total	19	**975.51**	**946.09**
		Year ended 31 March 2021	**Year ended 31 March 2020**
Interest expense (included in finance costs)	21	101.43	146.09
Total		101.43	146.09
Expense relating to short-term leases and leases of low-value assets (included in other expenses - Refer Note 20**)**		5,340.64	5,147.33

The total cash outflow for lease for the year ended 31 March 2021 was INR 674.54 (31 March 2020: INR 637.71)

(i) Variable lease payments
The Group did not enter into lease contracts that contain variable lease options.

Notes to consolidated financial statements as at and for the year ended March 31, 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

2(b). Right-of-use assets (Continued)

(ii) Extension of termination options

Extension and termination options are included in a number of property, plant and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Right-of-use assets include unamortised portion of Rs.4,676.42 (31 March 2020: Rs.4,770.08) pertaining to the amount paid for leasehold land measuring 266 acres located at Motipur, Bihar. During the previous year, the leasehold land has been reclassified to right-of-use assets in accordance with Ind AS 116. The Land was leased to the Company by Bihar State Sugar Corporation Limited (BSSCL) in 2011-2012. BSSCL's title to the land was challenged by shareholders of the sugar factory (erstwhile owners of the land) and consequently the lease to the Company was also questioned as illegal. The petition filed by the shareholders of Sugar Factory is pending before the Supreme Court of India. The lease agreement is yet to be registered in the name of the Company.

3. Intangible assets

(See accounting policy in Note 1.6)

Particulars	Computer software	Total
Year ended 31 March 2020:		
GROSS CARRYING AMOUNT		
As at 1 April 2019	1,007.86	1,007.86
Additions	51.30	51.30
Disposals	-	-
Balance as at 31 March 2020	**1,059.16**	**1,059.16**
ACCUMULATED AMORTISATION		
As at 1 April 2019	611.67	611.67
Amortisation charge for the year	322.27	322.27
Balance as at 31 March 2020	933.94	933.94
NET CARRYING AMOUNT		
As at 31 March 2020	**125.22**	**125.22**
Year ended 31 March 2021:		
GROSS CARRYING AMOUNT		
As at 1 April 2020	1,059.16	1,059.16
Additions	46.72	46.72
Disposals	-	-
Balance as at 31 March 2021	**1,105.88**	**1,105.88**
ACCUMULATED AMORTISATION		
As at 1 April 2020	933.94	933.94
Amortisation charge for the year	40.29	40.29
Balance as at 31 March 2021	**974.23**	**974.23**
NET CARRYING AMOUNT		
As at 31 March 2021	131.65	131.65

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4. Financial assets
4(a) Investments
4(a)(i) Non-current investments
(See accounting policy in Note 1.11)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments measured at FVOCI		
Investments in equity instruments (fully paid-up)		
Quoted		
19,480 (31 March 2020: 19,480) equity shares of BSE Limited	111.25	57.82
Sub Total	**111.25**	**57.82**
Unquoted		
Nil (31 March 2020: 300) equity shares of New India Co-Operative Bank Limited	-	0.03
2,66,75,000 (31 March 2020: 2,66,75,000) equity shares of Indian Commodity Exchange Limited	2,984.93	3,022.28
1,00,000 (31 March 2020: 1,00,000) equity shares of Wisekey India Private Limited	95.00	95.00
Sub-total	**3,079.93**	**3,117.31**
Investments in Debt Instruments		
Quoted (Also, refer Note 9(a) for investments pledged against loans and borrowings)		
75,500 (31 March 2020: 75,500) units of IRFC Tax Free Bonds - 2030 - 7.28%	925.62	870.13
2,85,698 (31 March 2020: 2,85,698) units of NHAI Tax Free Bonds - 2031 - 7.35%	3,428.37	3,228.38
1,40,139 (31 March 2020: 1,40,139) units of HUDCO Tax Free Bonds- 2031 - 7.39%	1,713.89	1,611.59
3,72,40,000 (31 March 2020: 3,72,40,000) units of Special Fertiliser Bonds - 2022 - 7.00% (quoted in Clearing Corporation of India Limited)	38,599.88	38,424.13
50 (31 March 2020: 50) units of Special Fertiliser Bonds- 2023 - 6.65% (quoted in Clearing Corporation of India Limited)	0.05	0.05
Sub-total	**44,667.81**	**44,134.28**
Investment in government securities - Measured at Amortised Cost		
Unquoted		
59 (31 March 2020: 59) units of National Savings Certificate - VIII Issue (Face value: Rs.10,000)	5.90	5.90
51 (31 March 2020: 51) units of National Savings Certificate - VIII Issue (Face value: Rs.5,000)	2.55	2.55
15 (31 March 2020: 15) units of National Savings Certificate - VIII Issue (Face value: Rs.1,000)	0.15	0.15
2 (31 March 2020: 2) units of National Savings Certificate - VIII Issue (Face value: Rs.500)	0.01	0.01
Sub-total	**8.61**	**8.61**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(a)(i) Non-current investments (Continued)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in Debt Instruments - Measured at Amortised Cost		
Quoted		
500 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.50%	5,000.00	-
560 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.70%	5,682.14	-
250 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.25%	2,516.31	-
25 (31 March 2020: Nil) units of Union Bank of India Perpetual Bond - 8.64%	2,500.00	-
500 (31 March 2020: Nil) units of BOB Perpetual Bond - 8.15%	5,000.00	-
Sub Total	**20,698.45**	-
Total non-current investments	**68,566.05**	**47,318.02**
Aggregate amount of quoted investments (including quoted investments in Clearing Corporation of India Limited)	65,477.51	44,192.10
Aggregate market value of quoted investments (including quoted investments in Clearing Corporation of India Limited)	65,190.54	44,192.10
Aggregate amount of unquoted investments	3,088.54	3,125.92
Aggregate amount of impairment in the value of investments	-	-

4(a)(ii) Current investments

Investments in mutual funds

Particulars	As at 31 March 2021	As at 31 March 2020
Quoted		
HDFC Mutual Fund	-	96.33
Sub-total	-	**96.33**
Total current investments	-	**96.33**
Aggregate amount of quoted investments	-	96.33
Aggregate market value of quoted investments	-	96.33
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(b) Other financial assets

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Security deposits	685.76	198.56	570.75	196.74
Advances to employees	45.29	-	42.24	-
Interest accrued on deposits	13.45	-	21.74	-
Interest accrued on investments	1,544.71	-	1,055.85	-
Claims receivable	2,511.88	-	2,767.39	-
	4,801.09	**198.56**	**4,457.97**	**196.74**

4(c). Trade receivables
(See accounting policy in Note 1.9)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (including subsidy receivables Rs.1,91,474.11 (March 31, 2020: Rs. 3,01,627.34)	3,40,539.60	5,86,839.85
Less: Allowance for doubtful debts (including provision on subsidy receivables Rs.4,028.58 (March 31, 2020: Rs. 11,566.64)	(33,875.62)	(46,001.43)
Total receivables	**3,06,663.98**	**5,40,838.42**
Non-current	-	-
Current	3,06,663.98	5,40,838.42
Breakup of security details		
Trade receivables considered good - Unsecured	3,06,663.98	5,40,838.42
Trade receivables considered doubtful - Unsecured	33,875.62	46,001.43
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	3,40,539.60	**5,86,839.85**
Allowance for credit loss	(33,875.62)	(46,001.43)
Net trade receivables	**3,06,663.98**	**5,40,838.42**

The Group's trade receivables do not carry a significant financing element. Accordingly, the Group has adopted a simplified approach for measurement of expected credit loss.

Also, refer Note 9(a)(ii) for loans secured against trade receivables.

4(d). Cash and cash equivalents
(See accounting policy in Note 1.8)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank balances in current accounts(includes balances with EEFC account amounting to Rs.1,378.35)	15,950.19	20,207.35
Deposits with maturity of less than three months	99,623.85	34,000.00
Cash on hand	55.24	31.95
Total Cash and cash equivalents	**1,15,629.28**	**54,239.30**
Deposits under lien with banks	-	-

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

4(e). Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Bank balances in dividend accounts	48.32	38.06
Bank deposits with original maturity of more than 3 months	6,585.73	1,649.70
Molasses storage fund deposit account #	232.06	207.14
	6,866.11	**1,894.90**
# Also, refer Note 8(b) below		
Deposits earmarked against Molasses Storage Facility Reserve Fund	232.06	207.14
Deposits under lien with Pollution Control Boards	24.00	14.00
Other lien marked deposits	62.90	529.64

4(f). Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		-
Loans to employees	0.72	1.85
	0.72	**1.85**
Breakup of security details		
Loans considered good - Unsecured	0.72	1.85
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	0.72	**1.85**
Allowance for credit loss	-	-
Net loans	**0.72**	**1.85**

5(a). Deferred tax assets (net)
(See accounting policy in Note 1.19)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets:		
Provision for compensated absences	173.99	168.28
Provision for doubtful trade receivables	16,287.42	15,604.51
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	989.90	1,051.96
Others	25.29	22.59
Total of Deferred tax assets	**17,476.60**	**16,847.34**
Deferred tax liabilities:		
On difference between book balance and tax balance of fixed assets	3,176.80	2,801.38
On reserve for debt and equity instruments through OCI	1,989.93	1,955.43
On exchange difference on translation on foreign operations	907.60	535.58
On share of net profits of investments accounted for using equity method	8,654.50	2,775.25
Total of Deferred Tax Liabilities	**14,728.83**	**8,067.64**
Deferred tax assets (net)	**2,747.77**	**8,779.70**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

5(a). Deferred tax assets (net) (Continued)

Movement in deferred tax assets / (liabilities)	Opening balance	Recognised / (credited) in profit or loss	Recognised in Other Comprehensive Income	Closing balance
For the year 2020-21:				
Deferred tax (liabilities) / asset in relation to:				
Provision for compensated absences	168.28	5.71	-	173.99
Provision for doubtful assets	15,604.51	682.91	-	16,287.42
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,051.96	(16.09)	(45.97)	989.90
Property, plant and equipment	(2,801.38)	(375.42)	-	(3,176.80)
Lease liabilities	22.59	2.70	-	25.29
Debt and equity instruments through OCI	(1,955.43)	-	(34.50)	(1,989.93)
On share of net profits of investments accounted for using equity method (net of impairment charges)	(2,775.25)	(6,369.78)	490.53	(8,654.50)
On Foreign currency translation reserve	(535.58)	-	(372.02)	(907.60)
For the year 2019-20:				
Deferred tax (liabilities) / asset in relation to:				
Provision for compensated absences	231.28	(63.00)	-	168.28
Provision for doubtful assets	18,843.59	(3,239.08)	-	15,604.51
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,709.95	(570.19)	(87.80)	1,051.96
Other liabilities	65.46	(65.46)	-	-
Property, plant and equipment	(3,380.14)	578.76	-	(2,801.38)
Lease liabilities	-	22.59	-	22.59
Debt and equity instruments through OCI	(1,818.10)	-	(137.33)	(1,955.43)
On share of net profits of investments accounted for using equity method (net of impairment charges)	(2,348.50)	(426.75)	-	(2,775.25)
On Foreign currency translation reserve	(254.80)	-	(280.78)	(535.58)

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

5(b). Deferred tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
On difference between book balance and tax balance of property, plant and equipment	-	4.34
Total of Deferred Tax Liabilities (net)	-	**4.34**

6. Other assets

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	3,501.11	-	5,821.51
Leasehold land	-	-	-	1.77
Advance to suppliers	13,263.51	-	22,828.77	-
Balances with statutory authorities				
- Goods and services tax	26,845.98	-	31,962.97	-
- Others	1,731.94	-	1,480.57	1.86
Prepaid expenses	369.55	-	377.43	-
Other advances	-	-	0.79	-
Total	**42,210.98**	**3,501.11**	**56,650.53**	**5,825.14**

7. Inventories
(See accounting policy in Note 1.10)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	1,207.29	2,012.14
Packing Materials	1,378.73	1,393.12
Work-in-progress	1,954.53	1,641.56
Finished goods (other than those acquired for trading)	78,701.59	93,407.29
Stock-in-trade (acquired for trading) * #	1,79,001.28	1,57,989.02
Stores and spares	966.35	939.49
	2,63,209.77	**2,57,382.62**
* Includes Goods in transit	32,692.56	48,134.67

A possible reasonable change in the estimates is not expected to have a significant impact on the amounts recogonised as the same would be recovered from the agent who is managing the inventory.

Refer Note 9(a)(ii) for details of inventory pledged as security.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(a). Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
5,00,00,000 (Previous year: 5,00,00,000) equity shares of Rs 10/- each	5,000.00	5,000.00
Issued, subscribed and paid-up		
2,85,97,200 (Previous year: 2,85,97,200) equity shares of Rs 10/- each, fully paid up	2,859.72	2,859.72
Total Equity share capital	**2,859.72**	**2,859.72**

(i) Movement in equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	2,85,97,200	2,859.72	2,85,97,200	2,859.72
Add: Shares issued during the year	-	-	-	-
At the end of the year	**2,85,97,200**	**2,859.72**	**2,85,97,200**	**2,859.72**

(ii) Terms and rights attached to equity shares

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(iii) Particulars of shareholders holding more than 5% of equity shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of equity shares	No. of shares	% of equity shares
Equity shares of Rs 10/- each fully paid up, held by:				
Indian Farmers Fertilisers Cooperative Limited	97,20,000	33.99	97,20,000	33.99
Gujarat State Co-operative Marketing Federation Limited	29,88,000	10.45	29,88,000	10.45
Gujarat State Fertilisers and Chemicals Limited	22,50,000	7.87	22,50,000	7.87
Andhra Pradesh State Cooperative Marketing Federation Limited	17,82,000	6.23	17,82,000	6.23
Madras Fertilisers Limited	15,84,000	5.54	15,84,000	5.54

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Reserves and surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	7,762.49	7,762.49
General reserve	41,557.02	41,557.02
Retained earnings	3,87,409.41	3,05,229.34
Molasses Storage Facility Reserve Fund	143.30	127.54
	4,36,872.22	**3,54,676.39**
(i) Capital reserve		
Opening balance	7,762.49	7,762.49
Movements	-	-
Closing balance	**7,762.49**	**7,762.49**
(ii) General reserve		
Opening balance	41,557.02	41,557.02
Less: Utilisation towards issue of bonus shares	-	-
Closing balance	**41,557.02**	**41,557.02**

General reserve is a free reserve arising from transfers from retained earnings made in the previous years. The balance is available for distribution to the members as dividend or for paying up unissued shares to be issued to the members of the Company as fully paid bonus shares.

(iii) Retained earnings

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	3,05,229.34	2,67,881.30
Profit attributable to owners of the Company	85,261.06	37,705.62
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(2,350.30)	168.89
Final dividend	(714.93)	(428.96)
Dividend distribution tax	-	(88.17)
Others - Transferred to Molasses Storage Facility Reserve Fund	(15.76)	(9.34)
Closing balance	**3,87,409.41**	**3,05,229.34**

Group's share of cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.

(iv) Molasses Storage Facility Reserve Fund

Represents amount transferred from Retained earnings for utilization towards maintenance of adequate storage facilities in accordance with the order issued by the Controller of Uttar Pradesh State Sugar Corporation at the stipulated rate. The Group has earmarked bank deposits corresponding to this reserve.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

8(c). Other reserves

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve for debt instruments through OCI	5,638.72	5,160.18
Reserve for equity instruments through OCI	925.88	889.31
Foreign currency translation reserve	4,381.46	2,585.53
	10,946.06	**8,635.02**

The Company has elected to recognise changes in the fair value of certain investments in equity / debt securities in other comprehensive income. These changes are accumulated within reserve for equity/ debt investments through OCI within equity.

(i) Reserve for debt instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	5,160.18	3,354.37
Changes in fair value of debt instruments	533.53	1,742.35
Deferred tax on the above	(54.99)	63.46
Closing balance	**5,638.72**	**5,160.18**

(ii) Reserve for equity instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	889.31	2.85
Changes in fair value of equity instruments	16.09	1,093.79
Share of other comprehensive income of associate accounted using equity method	-	(6.53)
Deferred tax on the above	20.48	(200.80)
Closing balance	**925.88**	**889.31**

(iii) Foreign currency translation reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	2,585.53	1,203.55
Exchange difference on translation	2,167.95	1,662.76
Deferred tax on the above	(372.02)	(280.78)
Closing balance	**4,381.46**	**2,585.53**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Borrowings

(See accounting policy in Note 1.15)

9(a)(i) Non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured, at amortised cost		
From a bank		
Term loans	18,365.42	29,450.67
Total non-current borrowings	**18,365.42**	**29,450.67**
Less:Current maturities of long-term debt [included in Note 9(b)]	(11,344.75)	(19,500.00)
Non-current borrowings	**7,020.67**	**9,950.67**
Less: Interest accrued [included in Note 9(b)]	(110.07)	(200.67)
Non - current borrowings (as per balance sheet)	**6,910.60**	**9,750.00**

Nature of security and terms of repayment for non-current borrowings:

Term loan from Kotak Mahindra Bank

Maturity date	August 2021
Terms of Repayment	10 quarterly installments
Installment amount	INR 4,875.00
Rate of Interest	3 months treasury bill rate + Spread of 1.61%
Security	a. Pledge of following investments in debt instruments is as follows: (i) 75,500 units of IRFC Tax Free Bonds - 2030 - 7.28% (ii) 2,85,698 units of NHAI Tax Free Bonds - 2031 - 7.35% (iii) 1,40,139 units of HUDCO Tax Free Bonds- 2031 - 7.39% (iv) 3,72,40,000 units of GOI Fertilizer bond 2022 - 7.00% Refer note 4 (a). b. Pledge of land of Titawi sugar unit. Refer Note 2 (a).

Term loan from HDFC Bank *

Maturity date	June 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 253.50
Rate of Interest	7.10% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant

Maturity date	June 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 250.00
Rate of Interest	8% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. Borrowings (Continued)

Maturity date	June 2025
Terms of Repayment	16 quarterly installments
Installment amount	INR 28.08
Rate of Interest	7.05% per annum
Security	Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant

* Also refer note 2(a). The charge shall be created on completion of the project.

9(a) (ii) Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, at amortised cost		
From banks		
Buyers' credit	48,622.53	80,159.75
Other working capital loans	45,000.00	75,131.33
Secured, at amortised cost		
From banks		
Buyers' credit	1,65,694.32	1,53,847.00
Other working capital loans	-	49,705.92
Total current borrowings	**2,59,316.85**	**3,58,844.00**
Less: Interest accrued [included in Note 9(b)]	(214.01)	(1,306.12)
Current borrowings (as per balance sheet)	**2,59,102.84**	**3,57,537.88**

Nature of security and terms of repayment for current borrowings:

(a) Secured buyers' credit from consortium of banks are secured against stock and trade receivables of the Company and are repayable generally within 180-240 days of availment. These facilities carry interest rates based upon LIBOR plus agreed basis points with bankers.

(b) Other secured working capital loans include:

(i) Loan from Punjab National Bank, aggregating to Rs. Nil (31 March 2020: 33,258.04), under a Special banking arrangement approved by Ministry of Finance, carrying a net interest rate of 0% was repaid during the year.

(ii) Short-term working capital loans from HDFC Bank aggregating to Rs.Nil (31 March 2020: 16,447.88) carrying interest rates of 7.90% per annum was repaid during the year.

(c) Other unsecured working capital loans including interest accrued comprise of :

(i) Short-term working capital loans from Mizuho Bank aggregating to Rs. 30,000.00 (31 March 2020: Nil). These loans are repayable on 22 April 2021 and carry interest rates at 4.10% per annum.

(ii) Short-term working capital loans from HDFC Bank aggregating to Rs. Nil (31 March 2020: 30,120.04) carrying interest rates at 6.35% per annum was repaid during the year.

(iii) Short-term working capital loans from Federal Bank aggregating to Rs. Nil (31 March 2020: 20,000) carrying interest rates of 6.80% per annum was repaid during the year.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9. **Borrowings** (Continued)

    (iv) Short-term working capital loans from Axis Bank aggregating to Rs. 15,000.00 (31 March 2020: 20,113.57) carrying interest rates of 4% per annum and repayable by Sep 13, 2021.

    (v) PCFC Loan from Federal Bank aggregating to Rs. Nil (31 March 2020: 4,897.72) carrying interest rate of 2.45% per annum was repaid during the year.

(d) Unsecured buyers' credit from banks are repayable generally within 180 days of availment. These facilities carry interest rates based upon LIBOR plus agreed basis points with bankers.

Net Debt Reconciliation

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	1,15,629.28	54,239.30
Bank balances other cash and cash equivalents	6,866.11	1,894.90
Current Borrowings including interest accrued	(2,59,316.85)	(3,58,844.00)
Non-current borrowings including current maturities and interest accrued	(18,365.42)	(29,450.67)
Net Debt	**(1,55,186.88)**	**(3,32,160.47)**

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and other bank balances	Non-current borrowings	Current borrowings	
Net Debt as at April 1, 2019	76,524.81	(49,110.22)	(2,86,439.50)	(2,59,024.91)
Cash Flows	(20,390.61)	19,500.00	(62,624.96)	(63,515.57)
Foreign Exchange adjustments	-	-	(9,758.87)	(9,758.87)
Interest expense	-	(2,949.39)	(22,222.22)	(25,171.61)
Interest paid	-	3,108.94	22,201.55	25,310.49
Net Debt as at March 31, 2020	56,134.20	(29,450.67)	(3,58,844.00)	(3,32,160.47)
Cash Flows	66,361.19	10,994.65	97,824.30	1,75,180.14
Foreign Exchange adjustments	-	-	610.74	610.74
Interest expense	-	(2,786.48)	(11,989.59)	(14,776.07)
Interest paid	-	2,877.08	13,081.70	15,958.78
Net Debt as at March 31, 2021	**1,22,495.39**	**(18,365.42)**	**(2,59,316.85)**	**(1,55,186.88)**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

9(b). Other financial liabilities

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Current maturities of long-term debt [refer Note 9(a)(i)]	11,344.75	-	19,500.00	-
Interest accrued [refer Note 9(a)(i) and 9(a)(ii)]	324.08	-	1,506.79	-
Cane bills payable to Banks	11,792.20	-	10,511.16	-
Unpaid dividends	48.32	-	38.06	-
Employee benefits payable	1,033.21	-	598.15	-
Payables on purchase of fixed assets	1,342.40	-	492.10	-
Customer discounts	9,559.11	-	9,297.93	-
Trade / security deposits received	-	4,815.40	5.00	5,224.68
Total Other financial liabilities	**35,444.07**	**4,815.40**	**41,949.19**	**5,224.68**

9(c). Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables		
- total outstanding dues of micro and small enterprises#	-	-
- total outstanding dues of creditors other than micro and small enterprises*	2,42,055.33	3,45,390.37
	2,42,055.33	**3,45,390.37**

*Of the above trade payables, the Company has issued letter of credits aggregating to Rs. 1,75,310.00 (31 March 2020: Rs. 3,00,120.00)

Based on the confirmation circulated by the group and provided by the suppliers.

9(d). Contract liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	18,741.82	6,774.30
	18,741.82	**6,774.30**

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisified in a prior year:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	6,774.30	7,680.67
Revenue recognised from the balance at the beginning of the year	(6,774.30)	(7,680.67)
Amount billed during the year, but not recognised as revenue	18,741.82	6,774.30
Closing balance	**18,741.82**	**6,774.30**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions for indirect tax litigations	7,293.78	7,293.78
	7,293.78	**7,293.78**

Movements in provisions are set out below:

Particulars	Provisions on Tax litigations
Balance as at 1 April 2019	7,293.78
Charged / (credited to profit or loss)	-
Balance as at 31 March 2020	**7,293.78**
Charged / (credited to profit or loss)	-
Balance as at 31 March 2021	**7,293.78**

11. Employee benefits obligations
(See accounting policy in Note 1.20)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Employee benefits:				
- Gratuity	78.60	-	390.90	-
- Compensated absences	691.31	-	672.32	-
- Provident fund	135.83	-	92.12	-
	905.74	-	**1,155.34**	-

The actuary has assessed the calculations of the Interest Rate Guarantees based on the guidance note issued by the Institute of Actuaries of India. The disclosures required under Ind AS 19 are provided below

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest cost	476.59	476.77	215.63	295.96
Current service cost	257.68	319.18	204.15	193.40
Expected return on plan assets	-	-	(193.39)	(209.81)
Total expense recognised in the Statement of Profit and Loss	**734.27**	**795.95**	**226.39**	**279.55**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Remeasurements:				
Actuarial losses/ (gains)				
- Demographic assumption changes in DBO	-	-	-	-
- Financial assumption changes in DBO	-	-	(63.00)	265.60
- Experience changes on DBO	118.96	92.12	(88.78)	(619.90)
Rate on Plan assets less than discount rate	-	-	(30.86)	5.50
Total expense recognised in the Other Comprehensive Income	**118.96**	**92.12**	**(182.64)**	**(348.80)**
Net asset/ liability recognised in the balance sheet:				
Present value of Defined benefit obligation (DBO)	6,821.28	6,147.00	3,634.22	3,570.08
Fair value of plan assets at the end of the year	6,685.45	6,054.88	3,549.57	3,179.18
Asset/(Liability) recognized in the balance sheet	**(135.83)**	**(92.12)**	**(84.65)**	**(390.90)**
Changes in the Defined Benefit Obligation (DBO) during the year:				
Present value of DBO at the beginning of year	6,147.00	5,966.36	3,570.08	3,925.23
Interest cost	476.59	476.77	215.63	295.96
Current service cost	257.68	319.18	204.15	193.40
Actuarial (gains) / losses	126.47	48.29	(151.78)	(354.30)
Employees contribution	354.95	289.79	-	-
Benefits paid	(538.06)	(1,003.04)	(203.86)	(490.21)
Liabilities assumed / (settled)	(3.35)	49.65	-	-
Present value of DBO at the end of year	**6,821.28**	**6,147.00**	**3,634.22**	**3,570.08**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Disclosure of Post employment benefits:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Changes in the fair value of assets during the year:				
Plan assets at beginning of year	6,054.88	5,966.36	3,179.18	2,759.93
Expected return on plan assets	476.59	476.77	193.39	209.81
Remeasurements due to actual return on plan assets less interest on plan assets	7.51	(43.84)	-	-
Actual company contributions	257.68	319.19	350.41	705.15
Employee contributions	354.95	289.79	-	-
Benefits paid	(538.06)	(1,003.04)	(204.27)	(490.21)
Assets acquired / (settled)	71.90	49.65	-	-
Actuarial gain / (loss)	-	-	30.86	(5.50)
Plan assets as at end of year	**6,685.45**	**6,054.88**	**3,549.57**	**3,179.18**
Current portion	135.83	92.12	78.60	390.90
Non-current portion	-	-	-	-
	135.83	**92.12**	**78.60**	**390.90**

Composition of the Plan assets is as follows:	Provident fund		Gratuity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Pattern				
Discount Rate	6.33%	6.04%	6.33%	6.04%
Expected rate of salary Increase	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Experience adjustments	**2020-21**	**2019-20**
Present value of DBO	10,455.50	9,717.08
Fair value of plan assets	10,235.02	9,234.06
Funded status [Surplus / (Deficit)]	(220.48)	(483.02)
Experience gain / (loss) adjustments on plan liabilities	(32.82)	(262.18)
Experience gain / (loss) adjustments on plan assets	-	-

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption (Gratuity)			Impact on Defined Benefit Obligation				
				Increase in assumption			Decrease in assumption	
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20
Discount rate	1%	1%	Decrease by	(201.52)	(182.09)	Increase by	226.87	205.04
Salary growth	1%	1%	Increase by	204.90	190.52	Decrease by	(186.90)	(173.90)

The above sensitivity analysis are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation) calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The Group has agreed that it will aim to eliminate the deficit in defined benefit gratuity plan on an yearly basis. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries in India. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are INR 220.68.

The weighted average duration of the defined benefit obligation range between 8.45 to 10.17 years (31 March 2020: 8.45 to 10.17 years) for executive and non-executive employees respectively. The expected maturity analysis of gratuity is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than 1 year	445.54	694.11
Between 1 -2 years	240.02	441.63
Between 2-5 years	973.90	986.94
Over 5 years	3,726.52	3,267.34
Total	**5,385.98**	**5,390.02**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

11. Employee benefits obligations (Continued)

Major category of plan assets
Provident Fund
Asset classification

Particulars	As at 31 March 2021	As at 31 March 2020
Central and State Government Securities	3,202.63	2,744.50
Public Sector Bonds	2,066.58	1,919.77
Special Deposit Scheme	862.63	862.63
Equity shares and Mutual Funds	161.59	144.80
Bank Balance	2.01	3.24
Others	390.01	379.94
Total	**6,685.45**	**6,054.88**

Gratuity
Asset classification

Particulars	As at 31 March 2021	As at 31 March 2020
Insurance Fund	3,572.26	3,201.87

12. Current tax assets and liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax assets		
Advance tax and tax deducted at source	1,89,719.86	1,70,455.49
	1,89,719.86	**1,70,455.49**
Current tax liabilities		
Income tax payable	1,99,195.08	1,79,903.57
	1,99,195.08	**1,79,903.57**
Net current tax (assets) / liabilities	**9,475.22**	**9,448.08**

13. Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Expenses payable	0.69	5.22
Statutory dues payables	2,315.80	6,055.68
Total Other current liabilities	**2,316.49**	**6,060.90**

The Group has evaluated the impact of the recent Supreme Court Judgement in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In this regard, appropriate provision has been made in the Financial Statements.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

14. Revenue from operations
(See accounting policy in Note 1.4)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	12,50,944.92	11,38,798.53
Less: Sales discounts	79,531.10	80,916.95
	11,71,413.82	**10,57,881.58**
Government subsidy	3,82,646.53	3,38,041.17
Sale of services	74,229.06	50,367.86
Other operating revenues	2,098.31	2,044.89
Total revenue from operations	**16,30,387.72**	**14,48,335.50**

The Group has determined that a disaggregation of revenue using existing segments and the timing of the transfer of goods or services is adequate for its circumstances. Refer note 27 - Segment Reporting for related disclosures.

No element of financing is deemed to be present as the sales are made with the credit term for a period less than one year.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products comprises :		
Manufactured goods		
Sugar and By Products	1,31,586.20	1,07,668.54
Cattle feed Products	2,661.67	7,459.74
Milk & Milk Products	32,920.16	52,688.00
Total - Sale of manufactured goods	**1,67,168.03**	**1,67,816.28**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

14. Revenue from operations (Continued)
(See accounting policy in Note 1.4)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Traded goods		
Muriate of Potash	4,23,481.64	4,23,888.93
Di Ammonium Phosphate	3,93,970.88	3,79,866.05
Urea	1,57,160.47	1,10,095.77
Complex Fertilisers	88,282.82	37,652.39
Others	20,881.08	19,479.11
Sales discounts	(79,531.10)	(80,916.95)
Total - Sale of traded goods	**10,04,245.79**	**8,90,065.30**
Government subsidy comprises:		
Muriate of Potash	1,31,585.28	1,30,431.14
Di Ammonium Phosphate	1,98,089.69	1,70,887.65
Complex Fertilisers	37,984.78	16,450.46
Others	14,986.78	20,271.92
Total Subsidy	**3,82,646.53**	**3,38,041.17**
Other operating revenues		
- Sale of scrap	402.17	312.80
- Packing charges recovered	18.71	29.53
- Amount received from suppliers/agents towards Shortages	196.15	365.19
- Dispatch / Demurrage (net)	1,481.28	1,337.37
	2,098.31	**2,044.89**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

15. Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income		
- Interest income earned on financial assets that are not designated as at FVTPL	1,108.03	160.72
- Bank deposits (at amortised cost)	768.40	184.02
- Interest income from Debt instruments at FVTOCI	2,768.05	2,975.31
Dividend income		
- Dividends from mutual funds	-	1,603.08
Profit on sale of fixed assets (net)	30.99	297.99
Profit on sale of investments	2,758.96	422.50
Provision / liabilities no longer required, written back	-	9,559.39
Receipts towards insurance claims	95.82	400.89
Net gain on foreign currency transactions and translation	15,934.58	-
Miscellaneous income	1,586.74	382.44
Total Other income	**25,051.57**	**15,986.34**

16. Cost of materials consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials		
Raw materials at the beginning of the year	2,165.74	2,165.62
Add: Purchases	1,55,003.85	1,64,334.58
Less: Raw materials at the end of the year	(1,207.29)	(2,012.14)
Total cost of materials consumed	**1,55,962.30**	**1,64,488.06**

17. Changes in inventories of finished goods, work-in progress and stock in trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock		
Finished goods	93,407.29	85,206.57
Work in progress	1,641.56	1,459.99
Stock-in-trade	1,57,989.02	1,65,519.55
Total opening balance	**2,53,037.87**	**2,52,186.11**
Closing stock		
Finished goods	(78,701.59)	(93,407.29)
Work in progress	(1,954.53)	(1,641.56)
Stock-in-trade	(1,79,001.28)	(1,57,989.02)
Total closing balance	**(2,59,657.40)**	**(2,53,037.87)**
Total changes in inventories of finished goods, work-in progress and stock in trade	**(6,619.53)**	**(851.76)**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

18. Employee benefit expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	7,660.46	7,138.39
Contribution to provident and other funds	734.27	797.95
Gratuity	226.39	279.55
Leave compensation	199.09	354.98
Staff welfare expenses	240.69	388.95
Total Employee benefit expense	**9,060.90**	**8,959.82**

19. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of tangible fixed assets	4,100.19	3,962.30
Amortisation of intangible fixed assets	40.29	322.27
Depreciation of right-of-use assets	975.51	946.09
Total	**5,115.99**	**5,230.66**

20. Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	3,027.56	3,016.71
Power and fuel	1,167.86	1,352.24
Freight and Forwarding charges	1,34,386.78	1,14,958.56
Discharge & clearance expenses	46,717.96	29,390.22
Packing materials Consumed - indigenous	21,461.27	17,394.73
Godown Rent	5,180.83	4,636.19
Rent including lease rentals	159.81	511.14
Repairs and maintenance - Buildings	356.64	208.89
Repairs and maintenance - Machinery	3,878.91	3,159.54
Repairs and maintenance - Others	530.31	610.49
Restitching & Rebagging Charges	120.71	75.38
Storage & Transit Insurance	539.39	604.48
Insurance	-	3.13
Rates and taxes	15,713.38	448.42
Communication	171.16	142.49
Traveling and conveyance	236.71	531.12
Printing and stationery	79.89	86.55
Business promotion	221.75	427.37
Legal and professional	663.11	827.12
Payments to auditors [Refer note 20(a) below]	104.88	148.87
Corporate social responsibility expenses	1,039.66	746.37
Directors sitting fees and commission	40.60	32.60
Bad trade receivables written off	-	804.59
Provision for doubtful trade and other receivables, loans and advances	(4,587.75)	8,211.73
Net loss on foreign currency transactions and translation	-	30,716.01
Special Discount	-	31.90
Miscellaneous expenses	1,040.28	2,076.81
Total other expenses	**2,32,251.70**	**2,21,153.65**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

20(a). Details of payments to auditors:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payment to auditors		
As auditor:		
Audit fee (including audit of Consolidated Financial Statements)	25.00	25.00
Tax audit fee	5.00	5.00
Good & Services Tax audit fee	10.00	-
Other services	-	15.00
In other capacities:		
Certification fees	57.00	94.58
Quarterly review	3.00	3.00
Reimbursement of expenses	4.88	6.29
Total	**104.88**	**148.87**

20(b). CSR expenditure

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to projects for rural development skills, healthcare and education (including contribution to PM Cares fund - As at March 31, 2021; Nil, March 31, 2020 - 500)	241.57	746.37
Accrual towards unspent obligations in respect to:		
Ongoing project		
Other than ongoing projects	798.09	-
Total	**1,039.66**	**746.37**
Amount required to be spent as per Section 135 of the Act	1,039.66	1,071.52
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	241.57	746.37

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Particulars	Year ended 31 March 2021
Balance unspent as at 1 April 2020	500.00
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-
Amount required to be spent during the year	1,039.66
Amount spent during the year	(741.57)
Balance unspent as at 31 March 2021	798.10

Till March 2020, it was not mandatory for the Holding Company to spend and accordingly there was no necessity for the Holding Company to make provision and consequently shortfall, if any relating to the previous years need not be contributed to funds specified in Schedule VII as the section was introduced on January 22, 2021 and prospective in nature. As regards to the shortfall relating to the FY 2020-21, the Holding Company will comply with the provisions within the timelines specified in the notification.

Notes to consolidated financial statements as at and for the year ended March 31, 2021

All amounts in Indian Rupees lakhs, unless otherwise stated

21. Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on bank overdraft and loans	9,793.14	15,346.32
Interest on delayed remittance of income taxes	235.12	64.90
Exchange difference regarded as an adjustment to borrowing costs	2,105.85	7,332.77
Other interest & bank charges	2,877.09	2,491.79
Interest expense on lease liability	101.43	146.09
Total	**15,112.63**	**25,381.87**

22. Income tax expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Income tax expense recognised in Profit and Loss:		
Current tax	19,291.51	14,718.01
Deferred tax	6,065.63	3,759.86
Total Income Tax expense recognised during the year	**25,357.14**	**18,477.87**
Income tax reconciliation:		
Profit before tax	1,10,618.20	56,183.49
Applied tax rate	25.17%	25.17%
Income tax expense calculated at Applied Tax rate	27,842.60	14,141.38
Total income tax expense recognised during the year	25,357.14	18,477.87
Differential tax impact	**(2,485.46)**	**4,336.49**
Differential tax impact due to the following Tax benefits / (Tax expense) :		
Tax on exempt Income	(191.29)	(495.00)
Interest on tax liability	53.71	16.33
Expenses not allowable (net)	261.66	187.85
Change in tax rate	-	4,884.03
Share of net profits from associates	(2,973.70)	(426.75)
Others	364.16	170.03
Total	**(2,485.46)**	**4,336.49**

The Government of India has introduced the Taxation Laws (Amendment) Ordinance 2019 in September 2019 to make certain amendments in the Income-tax Act 1961 and the Finance (No. 2) Act 2019. In order to promote growth and investment, a new section- Section 115BAA has been inserted in the Income-tax Act with effect from FY 2019-20 to allow any domestic company an option to pay income-tax at the rate of 22% (plus applicable surcharge and cess) subject to conditions that they will not avail any exemption/incentive. The effective tax rate for these companies shall be 25.168% inclusive of surcharge & cess. Also, such companies shall not be required to pay Minimum Alternate Tax.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

22. Income tax expense (Continued)

Conditions specified under eligibility criteria of section 115BAA:

Such companies should not avail any exemptions/incentives under different provisions of income tax. Therefore, the total income of such company shall be computed:

(i) without any deduction under the provisions of section 10AA or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 or section 35AD or section 35CCC or section 35CCD or under any provisions of Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" other than the provisions of section 80JJAA;

(ii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(iii) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause (i); and

(iv) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed.

23. Earnings per share

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit attributable to the equity holders of the Group	85,261.06	37,705.62
Weighted average number of equity shares outstanding during the year (in Nos.)	2,85,97,200	2,85,97,200
Face value of share (Rs.)	10.00	10.00
Earnings per Share		
- Basic (Rs.)	298.14	131.85
- Diluted (Rs.)	298.14	131.85

24. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	2,181.00	12,456.00

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

25. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Company not acknowledged as debt - Disputed dues relating to supplies / other civil cases	90.00	90.00
Claims against the Company not acknowledged as debt - Disputed dues relating to value added tax	9,565.30	4,759.03
Disputed customs duty demand for which the Company has preferred an appeal before the CESTAT	13,260.80	11,639.39
Claims against the Company not acknowledged as debt - Disputed refunds relating to Goods and Services Tax	12,486.50	-
Claims against the Company not acknowledged as debt - Disputed dues relating to Other Indirect Tax cases	869.08	-
Disputed income tax demands contested in Appeals not provided for:		
- Appeal pending before Commissioner of Income Tax (Appeals) for the AY 2014-15	11.70	91.19

(a) Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan vs State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). No order has yet been passed by the Cane Commissioner and the amount of interest, if any, payable has also not been determined. Based on the legal opinion received by the Industry Association, possibility of the liability crystallizing on this score is remote. Accordingly, no provision is considered necessary for such improbable liability.

(b) The company has claimed refund under GST regulations in accordance with the provisions of the law. In certain states, the refunds have been admitted and in others it has been rejected. The refunds under rule 89(5) of Central Goods and Services Tax Rules , 2017, which has been rejected and for which the company is contesting as at March 31, 2021 amounts to INR 6,862.35. The Company is also contesting the IGST payable on ocean freight charges amounts to INR 1,425.70. The company believes that it can successfully defend the case.

(c) Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Group in respect of these disputes depends upon the final outcome of such cases and the quantum of which is not currently ascertainable.

(d) There are certain regulatory authorities who have been seeking information from the company relating to purchases made/sales made to the dealers. The company has been responding to these matters. The company expects no financial impact in this regard.

(e) The Central Bureau of Investigation (CBI) has filed a FIR against the Managing director of the Company alleging that:

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

25. Contingent liabilities (Continued)

(i) during the period 2007-2014 the fertilizers have been imported by the Company at inflated prices and claimed higher subsidies from Government of India ('GOI') and caused losses to the exchequer.

(ii) commission were paid by the overseas suppliers to relatives of the Managing Director of the company resulting in diverting and siphoning off funds.

The aforesaid matters were discussed in the Board Meeting held on June 1, 2021.

The Board felt that it contains unverified allegations and also based on incorrect assumptions and incomplete appreciation of facts on record. It is also felt that the subsidy is not company specific and not a function of imports, but for the outlier method for certain period.

The Board of Directors directed the management of the company to provide all the information relating to the case to all regulatory authorities as and when requested.

The Management has been responding to the questions raised by CBI both through written form and also by way of attending in person on various dates.

Since the matter is at a preliminary stage, the Board of Directors of the company believe that no independent investigation is necessary at this stage as the CBI being a premier investigation agency, is already investigating the matter. The Managing Director of the company continues to discharge his official duties as decided and approved by the Board. Financial Impact and internal control lapse during the check period , if any, would be known only upon the conclusion of the investigation.

The Company would take necessary steps and action based on the progress of the case.

The Company has a strong internal control mechanism in place for various activities and it would continue to evaluate and strengthen its internal controls.

(f) The Company's composition of the Board, CSR committee (from Aug 2020), sub-committee-Audit committee and Nomination and Remuneration committee(prior and post Aug 2020) was not in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder. Subsequently on August 10, 2021, the Company has reconstituted the Board and various sub- committees of the Board to comply with the provisions of the Companies Act, 2013. The Company has obtained a secretarial view that the non-compliance of the composition regarding Board and various sub-committees will not have any impact on the decisions taken by the Board/ sub-committee. The Company could not appoint independent directors replacing the outgoing independent directors and also efforts to get extension of their term did not fructify in time due to COVID related restrictions and lock down etc, which disrupted normal and regular working in offices. Further, the Company believes that the impact of penalty, if any, to the above said matters will not be material to the financial statements.

(g) With respect to related party transactions, the company has obtained post-facto approval of the audit committee instead of prior-approval as required under section 177 of The Companies Act, 2013.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions

A. List of related parties

Name of the related party and nature of relationship

Significant influence over the entity
Indian Farmers' Fertiliser Co-operative Limited (IFFCO)

Subsidiaries of the above entity

IFFCO-Tokio General Insurance Company Limited
IFFCO eBazar Limited
Kisan International Trading FZE

Associate
Jordan Phosphate Mines Company

Subsidiary of the above entity
Nippon Jordan Fertilizers Company Limited

Key Management Personnel
Dr. P.S.Gahlaut, MD
Shri. R. Srinivasan, CFO (considered as KMP from April 2020)

Other Directors
Shri. Sundeep Kumar Nayak, IAS, Director
Dr. U.S.Awasthi, Director
Shri. Prem Chandra Munshi, Director
Shri. Dileep Sanghani, Director
Shri. Mukesh Puri, IAS (from Febuary 2021)
Shri. Shivakumar Gowda Patil, Director
Shri. Amarjit Singh Samra, Director (Upto September 2020)
Dr. Sunil Kumar Singh, Director (from September 2020)
Shri. Dusmanta Kumar Behra, IAS, Director (from June 2020)
Shri. S. C .Mudgerikar, Director
Shri. M. Murugan, Director
Shri. Santosh Kumar Dash OAS (S), Director
Shri. Balvinder Singh Nakai, Director (Upto August 2020)
Shri. Devinder Kumar, Director (Upto August 2020)
Ms. Reena Kaishing, Director (Upto August 2020)
Ms. Swathi Meena Naik, Director (Upto June 2020)
Shri. Arvind Agarwal, IAS, Director (Upto Febuary 2021)

Trusts
Indian Potash Limited Staff Provident Fund
Indian Potash Non-Executive Staff Gratuity Fund
Indian Potash Executive Staff Gratuity Fund
Indian Potash Senior Executive Staff Superannuation Fund

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions (Continued)

B. Transactions with key management personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration and other benefits *	175.07	99.20
Directors sitting fees, commission and others	46.20	39.48
	221.27	**138.68**

*Amount attributed to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Transactions with related parties other than key management personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Investing party - Indian Farmers' Fertiliser Co-operative Limited (IFFCO)		
Sale of goods	94,002.82	1,11,971.46
Insurance charges recovered	39.36	100.59
Service charges recovered	112.09	108.98
Discounts	10,634.33	9,744.91
Dividend paid	224.78	145.80
Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited		
Sale of goods	21.37	-
Sale of services	15.30	-
Services availed	713.05	999.71
Subsidiary of IFFCO-IFFCO eBazar Limited		
Sale of goods	224.29	294.23
Discounts	4.17	-
Subsidiary of IFFCO-Kisan International Trading FZE		
Services availed	1,165.81	547.54
Despatch income	30.92	32.79

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

26. Related party transactions (Continued)

C. Transactions with related parties other than key management personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Associate company - Jordan Phosphate Mines Company		
Purchases of goods	26,508.34	38,483.41
Dividend received	2,388.79	4,461.84
Subsidiary of Jordan Phosphate Mines Company- Nippon Jordan Fertilizers Company Limited		
Purchases of goods	5,301.66	-
Indian Potash Limited Staff Provident Fund		
Contribution to provident fund	257.68	253.87
Indian Potash Non-Executive Staff Gratuity Fund		
Contribution to gratuity fund	50.00	388.00
Indian Potash Executive Staff Gratuity Fund		
Contribution to gratuity fund	100.00	100.00
Indian Potash Senior Executive Staff Superannuation Fund		
Contribution to super annuation fund	62.04	49.35

D. Outstanding balances arising from sales / purchase of goods and services

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Indian Farmers' Fertiliser Co-operative Limited (IFFCO)		
Trade receivable (Sale of goods & services)	13.75	10,994.26
Customer Discounts Payable	8,405.87	6,765.31
Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited		
Trade receivable	529.53	469.29
Subsidiary of IFFCO-IFFCO eBazar Limited		
Trade receivable	89.06	82.14
Subsidiary of IFFCO-Kisan International Trading FZE		
Trade Payable	3.11	-
Associate company - Jordan Phosphate Mines Company		
Trade Payable (Purchase of Goods)	59.30	-
Subsidiary of Jordan Phosphate Mines Company- Nipon Jordan Fertilizers Company Limited		
Trade Payable	-	-

27. Segment reporting

Ind AS 108 establishes standards for reporting information about operating segments and related disclosure about product and services, geographical areas and major customers. Based on 'management approach' as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments. Accordingly information has been presented along business segment. The accounting principle used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and or as set out in the significant accounting policies.

Business segment of the Group comprises of:-

(i) Fertilisers - Trading of fertilisers

(ii) Sugar and its related by-products.

(iii) Others - Manufacturing of Cattle feed / Poultry feed, Milk and Milk Products and trading of Gold and other precious metals

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets. Segments assets do not include investments and income tax assets which are managed by treasury function.

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. Segments liabilities do not include borrowings and income tax liabilities which are managed by treasury function.

A. Business Segment Information

Particulars	Year ended 31 March 2021				Year ended 31 March 2020			
	Fertiliser	Sugar	Others	Total	Fertiliser	Sugar	Others	Total
Revenue from operations	14,50,228.74	1,43,698.47	36,460.51	16,30,387.72	12,69,291.03	1,17,773.58	61,270.89	14,48,335.50
Identifiable operating expenses	13,85,898.13	1,43,493.68	37,441.49	15,66,833.30	12,14,051.92	1,14,728.96	61,163.85	13,89,944.73
Segment operating income	64,330.61	204.79	(980.98)	63,554.42	55,239.11	3,044.62	107.04	58,390.77
Unallocable expenses				15,112.63				25,381.87
Operating profit				48,441.79				33,008.90
Other income	15,934.58	-	-	15,934.58	9,559.39	40.83	-	9,600.22
Unallocable income				9,116.99				6,386.12
Profit before income tax				73,493.36				48,995.24
Share of net profits of investments accounted for using equity method				10,145.02				34,168.07
Impairment loss/ reversal of impairment on investment in associate company				26,979.82				(26,979.82)
Income tax expense				25,357.14				18,477.87
Net profit				85,261.06				37,705.62

Particulars	As at 31 March 2021				As at 31 March 2020			
	Fertiliser	Sugar	Others	Total	Fertiliser	Sugar	Others	Total
B. SEGMENT ASSETS								
Segment assets	5,49,670.74	1,81,882.20	9,148.19	7,40,701.13	7,61,230.19	1,76,278.96	18,046.17	**9,55,555.23**
Unallocated Corporate assets				29,7891.20				**2,02,629.05**
Total Assets				**10,38,592.33**				**11,58,184.37**
C. SEGMENT LIABILITIES								
Segment Liabilities	2,20,323.77	97,065.11	1,044.44	**3,18,433.32**	3,25,872.60	57,021.85	11,044.29	**3,93,938.74**
Unallocated Corporate liabilities				**2,69,481.01**				**3,98,074.50**
Total Liabilities				**5,87,914.33**				**7,92,013.24**
Capital expenditure	**2,248.13**	**12,443.74**	**71.52**	**14,763.39**	**2,218.12**	**3,565.69**	14.56	**5,798.37**

Entity wide disclosures
The entity is domiciled in India

Particulars	As at 31 March 2021			As at 31 March 2020		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue by Geographical area	16,14,402.39	15,985.33	16,30,387.72	14,19,291.83	29,043.67	14,48,335.50
Carrying amount of Segment Assets	9,15,466.43	1,23,125.90	10,38,592.33	10,64,179.68	94,004.69	11,58,184.37
Capital expenditure	14,763.39	-	14,763.39	5,798.37	-	5,798.37
Non- Current assets	3,501.11	-	3,501.11	5,825.14	-	5,825.14

There are no single customer contributing to revenue more than 10% of the total revenue of the Group.
For the revenue from major product categories, refer Note 14.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements
28.1 Financial instruments by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investment in equity Instruments #	-	3,191.18	-	-	3,175.13	-
Investment in debt instruments	-	44,667.81	-	-	44,134.28	-
Investment in government securities	-	-	8.61	-	-	8.61
Investment in perpetual bonds	-	-	20,698.45	-	-	-
Trade receivables	-	-	3,06,663.98	-	-	5,40,838.42
Cash and cash equivalents	-	-	1,15,629.28	-	-	54,239.30
Bank balances other than cash and cash equivalents	-	-	6,866.11	-	-	1,894.90
Loans	-	-	0.72	-	-	1.85
Other financial assets	-	-	4,999.65	96.33	-	4,654.71
TOTAL ASSETS	**-**	**47,858.99**	**4,54,866.80**	**96.33**	**47,309.41**	**6,01,637.79**

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings including accrued interest and current maturities	-	-	2,77,682.27	-	-	3,88,294.67
Trade payables	-	-	2,42,055.33	-	-	3,45,390.37
Other financial liabilities	-	-	28,590.64	-	-	26,167.08
Lease liabilities	-	-	853.04	-	-	1,424.38
TOTAL LIABILITIES	**-**	**-**	**5,49,181.28**	**-**	**-**	**7,61,276.50**

Excludes investment which is measured at cost (after equity pick and net of impairment) being investments in equity instruments in Associate company to Rs. 1,18,289.51 (31 March 2020: Rs. 84,244.04)

The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these strategic investments and the group considered to be more relevant.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements (Continued)

28.2 Valuation technique and processes:

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, current borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non current loans and security deposits have also been assessed to be approximate to their carrying amount since they are repayable on demand. 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.

The fair value of the equity instruments which are quoted are based on price quotations at reporting date. The fair value of unquoted Equity and Debt instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.

The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Fair values of the Group's interest-bearing borrowings and loans are determined by using discount rate (effective interest rate) that reflects the issuer's borrowing rate as at the end of the reporting year.

The Group enters into derivative financial instruments with Banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. As at each period presented, the marked-to-market value of derivative liability/asset position has been recognized in the financial statements.

28.3 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements (Continued)

Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTOCI				
Investment in Equity Instruments	111.25	-	3,079.93	3,191.18
Investment in Debt Instruments	6,067.88	38,599.93	-	44,667.81

Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in government securities	-	-	8.61	8.61
Investment in perpetual bonds	20,698.44	-	-	20,698.44
Financial liabilities				
Non current borrowings	-	-	6,910.60	6,910.60

Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTOCI				
Investment in Equity Instruments	57.82	-	3,117.31	3,175.13
Investment in Debt Instruments	5,710.10	38,424.18	-	44,134.28

Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in government securities	-	-	8.61	8.61
Investment in perpetual bonds	-	-	-	-
Financial liabilities				
Non current borrowings	-	-	9,750.00	9,750.00

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2 – The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

28. Fair value measurements (continued)

28.4 Fair value of financial assets and financial liabilities measured at amortised cost

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment in government securities	8.61	8.61	8.61	8.61
Investment in perpetual bonds	20,698.45	20,698.45	-	-
TOTAL ASSETS	**20,707.06**	**20,707.06**	**8.61**	**8.61**
Financial liabilities				
Borrowings	6,910.60	6,910.60	9,750.00	9,750.00
TOTAL LIABILITIES	**6,910.60**	**6,910.60**	**9,750.00**	**9,750.00**

The carrying amounts of trade receivables, trade payables, other current financial assets and liabilities, cash and cash equivalents and other Bank balances are considered to be the same as their fair values, due to their short-term nature. The fair value of non current loans and security deposits have also been assessed to be approximate to their carrying amount since the loans are repayable on demand.

The fair values for non current borrowings have been assessed to be approximate to their carrying amount since the borrowings carry a variable interest rate linked to the market.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

28.5 Derivative financial instruments

Derivative financials instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Group follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Particulars	31 March 2021	31 March 2020
USD in Lakhs (sell)	20.00	-

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

29(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

a)Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer (Government and Non-Government). The risk relating to trade receivables, dues from Government (which represents subsidy receivable) and export customer has been assessed by the management as not to be material. In respect of Non-Government customers, the demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

b) Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Expected credit loss for trade receivables under simplified approach (Non-Government receivables excluding export receivables)

As at 31 March 2021:

Ageing	Not due	0-90 days past due	90 to 180 days past due	180 to 270 days past due	270 to 360 days past due	360 to 720 Days Past Due	More than 720 days past due	Total
Gross carrying amount	63,867.72	35,470.82	11,754.86	2,033.71	2,444.51	4,801.65	20,922.20	1,41,295.47
Expected loss rate	1.18%	2.52%	8.20%	17.14%	32.01%	74.70%	100.00%	-
Expected credit losses (loss allowance provision)	(755.33)	(892.15)	(963.41)	(348.51)	(782.38)	(3,586.76)	(20,922.20)	(28,250.74)
Carrying amount of trade receivables (net of impairment)	**63,112.39**	**34,578.67**	**10,791.45**	**1,685.20**	**1,662.13**	**1,214.89**	**-**	**1,13,044.73**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (Continued)

As at 31 March 2020:

Ageing	Not due	0-90 days past due	90 to 180 days past due	180 to 270 days past due	270 to 360 days past due	360 to 720 Days Past Due	More than 720 days past due	Total
Gross carrying amount	1,27,704.90	74,707.42	32,545.01	7,794.43	4,301.66	8,136.04	19,023.11	2,74,212.57
Expected loss rate	1.67%	3.08%	8.64%	17.66%	32.32%	66.32%	100.00%	-
Expected credit losses (loss allowance provision)	(2,133.40)	(2,303.17)	(2,812.91)	(1,376.28)	(1,390.30)	(5,395.62)	(19,023.11)	(34,434.79)
Carrying amount of trade receivables (net of impairment)	**1,25,571.50**	**72,404.25**	**29,732.10**	**6,418.15**	**2,911.36**	**2,740.42**	**-**	**2,39,777.78**

29(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilized credit limits with banks. The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The cash position of the Group is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	1,15,629.28	54,239.30
Bank balances	6,866.11	1,894.90
Total	**1,22,495.39**	**56,134.20**

a) Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2021	As at 31 March 2020
Expiring within one year - short term borrowings and other facilities expiring 31 March 2021 (Fund and non fund based)	8,60,202.00	6,10,807.78

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (continued)

29(ii) Liquidity risk

b) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

Particulars	As at 31 March 2021			
	Less than one year	1-2 years	2 years and above	Total
Fixed interest rate borrowings	2,19,175.98	-	-	2,19,175.98
Variable interest rate borrowings (Refer note below)	45,341.99	6,910.60	-	52,252.59
Lease liabilities	532.83	309.21	11.00	853.04
Trade payables	2,42,055.33	-	-	2,42,055.33
Other financial liabilities	35,444.07	-	4,815.40	40,259.47
Total	**5,42,550.20**	**7,219.81**	**4,826.40**	**5,54,596.41**

Particulars	As at 31 March 2020			
	Less than one year	1-2 years	2 years and above	Total
Fixed interest rate borrowings	2,33,028.69	-	-	2,33,028.69
Variable interest rate borrowings (Refer note below)	1,44,009.19	9,750.00	-	1,53,759.19
Lease liabilities	591.86	681.14	151.38	1,424.38
Trade payables	3,45,390.37	-	-	3,45,390.37
Other financial liabilities	41,949.19	-	5,224.68	47,173.87
Total	**7,64,969.30**	**10,431.14**	**5,376.06**	**7,80,776.50**

The variable interest rate borrowings carry an interest rate which are linked to the market and hence in absence of known amount of outflow in respect of interest, the current discounted amounts have been disclosed.

29(iii) Foreign currency risk

The Group's exchange risk arises from foreign currency expenses, (primarily in U.S. Dollars and Euros) and foreign currency borrowings (in U.S. dollars). A significant portion of the Group's purchase of stock in trade are in these foreign currencies, As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's costs measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed in recent periods and may continue to fluctuate in the future. The Group has a Corporate Treasury department which meets on a periodic basis to formulate the strategy for foreign currency risk management. The Group does not primarily deal with derivative instruments.

The following table presents foreign currency risk from non-derivative financial instruments as of 31 March 2021 and 31 March 2020:

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (continued)

As at 31 March 2021						
Particulars	**USD Lakhs**	**INR Equivalent**	**EUR Lakhs**	**INR Equivalent**	**AED Lakhs**	**INR Equivalent**
Assets:						
EEFC Account	18.85	1,378.25	-	-	-	-
Trade receivables	8.00	586.88	-	-	-	-
Liabilities:						
Borrowings	2,933.16	2,14,443.31	-	-	-	-
Trade payables	2,087.04	1,52,583.54	52.61	4,511.70	8.01	159.36

As at 31 March 2020						
Particulars	**USD Lakhs**	**INR Equivalent**	**EUR Lakhs**	**INR Equivalent**	**AED Lakhs**	**INR Equivalent**
Assets:						
Trade receivables	132.65	9,999.16	-	-	-	-
Liabilities:						
Borrowings	3,179.66	2,39,682.77	-	-	-	-
Trade payables	2,988.36	2,25,262.75	-	-	95.84	1,974.31

Sensitivity analysis

Particulars	**Impact on profit after tax**	
	31 March 2021	**31 March 2020**
USD Sensitivity		
INR/USD - Increase by 10% (31 March 2020-10%)	27,228.42	34,043.64
INR/USD - Decrease by 10% (31 March 2020-10%)	(27,228.42)	(34,043.64)
Euro Sensitivity		
INR/Euro - Increase by 10% (31 March 2020-10%)	337.62	-
INR/Euro - Decrease by 10% (31 March 2020-10%)	(337.62)	-
AED Sensitivity		
INR/AED - Increase by 10% (31 March 2020-10%)	11.95	147.74
INR/AED - Decrease by 10% (31 March 2020-10%)	(11.95)	(147.74)

29 (iv) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has been availing borrowings at fixed and variable rate of interest. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in interest market rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

Interest earned : Interest rates on debt instruments and Bank deposits are fixed and hence do not expose the Group to significant interest rate risk.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

29. Financial risk management (continued)

Classification of borrowings by nature of interest rate:

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings at variable interest rate :		
- Current	45,000.00	1,24,509.19
- Non-current (including current maturities)	18,255.35	29,250.00
Borrowings at fixed interest rate :		
- Current	2,14,102.84	2,33,028.69
- Non-current (including current maturities)	-	-

Interest rate sensitivity analysis

Particulars	Impact on profit after tax	
	31 March 2021	31 March 2020
Interest rates increase by 10 percentage*	(20.00)	(43.91)
Interest rates decrease by 10 percentage	20.00	43.91

*The Company has availed short term loan facilities at specified interest rates and such interest rates are linked to LIBOR/Treasury bill rates (March 31, 2020: LIBOR/Treasury bill rates).

29(v) Price Risk

The Group is exposed to price risks arising from investments in Debt and Equity instruments. These investments are held for strategic purposes only and not for the purposes of trading. The sensitivity analysis given below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower other comprehensive income/ equity for the year ended 31 March 2021 would increase/ decrease by Rs. 478.59 (31 March 2020: Rs. 473.09) as a result of the changes in fair value of equity and debt investments measured at FVTOCI. There is no impact of change in equity price on profit or loss.

30. Interests in other entities

(a) Subsidiaries

The group's subsidiary at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The Country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / Country of incorporation	Ownership interest held by the group		Ownership interest held by non controlling interests		Principal activities
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	
IPL Sugars and Allied Industries Limited	India	100%	100%	-	-	Manufacture of sugar and allied products

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (Continued)

(b) Summarised cash flows

Summarised cash flows	**IPL Sugars and Allied Industries Limited**	
Particulars	**31-Mar-21**	**31-Mar-20**
Cash flows from operating activities	(276.10)	(468.65)
Cash flows from investing activities	-	-
Cash flows from financing activities	275.75	470.21
Net increase/ (decrease) in cash and cash equivalents	**(0.34)**	**1.56**

(c) Interests in associates

Set out below are the associates of the group as at 31 March 2021 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The Country of incorporation or registration is also their principal place of business, and the portion of ownership interest is the same as the portion of voting rights held.

Name of entity	**Place of business/ Country of incorporation**	**% of ownership interest**	**Accounting method**	**Fair value/ Recoverable value ***	**Carrying amount**	**Fair value/ Recoverable value***	**Carrying amount**
				31-Mar-21	**31-Mar-21**	**31-Mar-20**	**31-Mar-20**
Jordan Phosphate Mines Company	Jordan	27.38%	Equity method	1,66,024.93	1,18,289.51	84,244.04	84,244.04

* Recoverable value has been assessed based on valuation methodology given below.

Jordan Phosphate Mines Company aims at mining and processing phosphate ore in Jordan. Its products complement the business of the Group. The same is classified as a Level 2 investment in accordance with Ind AS 113. The investment is not allocated to a specific segment.

In May 2018, Indian Potash Limited acquired 27.38% shares in Jordan Phosphate Mines Company. The Group has accounted based on equity method of the profits for the year January to December 2020 and January to December 2019 for the year ended 31 March 2021 and 31 March 2020 respectively subject to notional purchase price allocation and its related adjustments. The Group in the previous years has considered the acquisition price as the fair value since it was based on market price and confirmed by an independent valuer. Consequently no goodwill/ capital reserve arose on acquisition.

In the previous year, due to decrease in share price, the Company performed impairment analysis. During the year, there is significant increase in share price and the Company re-assessed the recoverability.

In respect of the same, the Holding Company has computed the recoverable amount by estimating the fair market value of the associate company using a combination of Guideline public company method (GPCM) and Market price method by assigning relevant weights.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (Continued)

Valuation approach and methodology: Equity value under Market price method has been estimated by considering the Volume Weighted Average Market Price (VWAMP) for last 1 month and 3 months, current market scenario and medium-term impact of COVID-19 on the Associate Company.

The fair market value using the GPCM method of the associate company has been estimated by:

- selection of a group of comparable and similar publicly traded companies ('guideline companies'), which provide sufficient indication as to the multiple(s) of the associate company
- determining the relative level of business and financial risk of the guideline companies with that of the associate company, and application of market multiple(s) from one or more guideline companies.

Key assumptions used for GPCM method:

a) Benchmarking: Comparable companies were identified by considering industry classification, geographical location, company type and company status, based on the functional, asset and risk an alysis of the associate Company. The companies selected were subjected to further detailed analysis based on various parameters such as nature of operations, clientele, nature of services offered, and industries served etc.

b) Selection of multiple(s): EBITDA of the most recent financial year ended preceding the valuation date, were used in EV/EBITDA multiple(s) method. Based on relative margin analysis of the associate company and the availability of relevant data, 50th percentile of the EV/EBITDA multiple(s) were selected of fair value determination.

c) Equity value: The enterprise value ("EV") has been arrived at by multiplying the trailing EV/EBITDA multiple(s) as selected with the corresponding trailing financial measures respectively. Cash and cash equivalents have been added, interest bearing debt and minority interest are reduced to arrive at equity value Consequent to this, the Company has reversed the impairment loss.

Valuation technique	Significant unobservable inputs	Range (weighted average)
Market approach – Combination of Guideline public company method and Market price method	Interquartile Range of EV/EBITDA multiple(s)	8.1 to 15.5 times

(i) Commitments and contingent liabilities in respect of associate	As at 31 December 2021	As at 31 December 2020
Outstanding letter of credit	36,310.65	24,795.98
Outstanding letter of guarantee	53,514.99	91,330.12
Litigations	2,73,333.44	1,95,173.85

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (continued)

(ii) Summarised financial information for Associate

The table below provide summarised financial information for associate that is material to the group. The information disclosed reflects the amounts presented in the financial statements of the associate and not Indian Potash Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for difference in accounting policies.

Summarised balance sheet	Jordan Phosphate Mines Company	
Particulars	**As at 31 December 2020**	**As at 31 December 2019**
Total current assets	3,37,965.43	3,71,433.03
Total non current assets	8,41,562.20	8,01,155.32
Total current liabilities	3,00,641.43	3,07,846.58
Total non current liabilities	2,50,487.10	1,74,598.34
Net assets	**6,28,399.10**	**6,90,143.44**

Reconciliation to carrying amounts	Jordan Phosphate Mines Company	
Particulars	**As at 31 December 2020**	**As at 31 December 2019**
Opening net assets	4,06,223.02	2,91,677.85
Profit for the year	30,319.60	21,721.12
Other comprehensive income for the year	(5,765.60)	(23.84)
Dividends paid	(8,724.90)	(16,296.03)
Purchase Price allocation adjustments impact during the year	6,055.45	1,02,926.73
Intercompany elimination Profit/Loss	3.35	144.29
Exchange difference on translation	3,917.98	6,072.90
Closing net assets	**4,32,028.90**	**4,06,223.02**
Group's share in %	27.38%	27.38%
Group's share in INR	1,18,289.51	1,11,223.86
Less: Impairment loss	-	(26,979.82)
Carrying amount	**1,18,289.51**	**84,244.04**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (continued)

Summarised statement of profit and loss	**Jordan Phosphate Mines Company**	
Particulars	**For the Year ended 31 December 2020**	**For the Year ended 31 December 2019**
Revenue	6,34,060.75	6,36,499.69
Profit for the year	**29,343.33**	**20,452.05**
Other comprehensive income	(5,765.60)	(23.84)
Total comprehensive income	23,577.73	20,428.21
Dividends received	2,388.79	4,461.84
	Year ended 31 March 2021	**Year ended 31 March 2020**
Share of profits from associate	10,145.02	34,168.07
Impairment loss / reversal of impairment on associate	26,979.82	(26,979.82)
Total share of profits from associate (after adjusting for impairment loss / reversal of impairment)	**37,124.84**	**7,188.25**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

31. Capital management

The Group's policy is to maintain a strong capital base so as to maintain shareholders' and lenders' confidence and to sustain future development of the business. Capital Base comprises of Equity Share Capital and Other Equity. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

(i) Risk management

The Group's policy is to maintain a strong capital base so as to maintain shareholders' and lenders' confidence and to sustain future development of the business. Capital Base comprises of Equity Share Capital and Other Equity. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Particulars	As at 31 March 2021	As at 31 March 2020
Net Debt (Total borrowings and lease liabilities net of cash and cash Equivalents)	1,56,039.92	3,33,584.85
Total equity	4,50,678.00	3,66,171.13
Net Debt to Equity Ratio	34.62%	91.10%

The net debt to equity ratio for the current year decreased from 91.10% to 34.62% following the repayment of term loans during the year

(ii) Loan Covenants

The Group has complied with loan covenants as at March 31, 2021

(iii) Dividends

(i) Equity shares

Final dividend for the year ended 31 March 2021 of INR 2.50 31 March 2020 – INR 1.50) per fully paid share	714.93	428.96
DDT on final dividend *	-	88.17

ii) Dividends not recognised at the end of the reporting period

In addition to the above, proposed dividend of INR 4.00 (31 March 2020 – INR 2.50) per fully paid share is subject to the approval of shareholders in the ensuing annual general meeting and are not recognised as a liability (including dividend distribution tax on proposed dividend) as at the respective balance sheet date.	1,143.89	714.93
DDT on proposed dividend *	-	-

* Dividend Distribution Tax (DDT) has been repealed in Finance Act 2020

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

32. Disclosure of information in terms of section 186 (4) of the Companies Act, 2013 :

Name of entity	Nature of relationship	31 March 2021	31 March 2020
Carrying amount of investments made:			
New India Co-Operative Bank Limited	Not a related Party	-	0.03
Indian Commodity Exchange Limited	Not a related Party	2,984.93	3,022.28
BSE Limited	Not a related Party	111.25	57.82
Wisekey India Private Limited	Not a related Party	95.00	95.00
Jordan Phosphate Mines Company	Related Party	1,18,289.51	84,244.04
BOB Perpetual Bond	Not a related Party	18,198.45	-
Union Bank of India Perpetual Bond	Not a related Party	2,500.00	-
Total		**1,42,179.14**	**87,419.17**

33. The company secretary has resigned on July 2, 2021. The company is in the process of appointing a company secretary. For the said reasons, the Financial statements has not been authenticated by a company secretary.

34. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

For the year ended 31 March 2021

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Potash Limited	74.04%	3,33,693.11	56.81%	48,431.93
IPL Sugar & Allied Industries Limited	(0.29%)	(1,304.62)	(0.35%)	(295.69)
Jordan Phosphate Mines Company	26.25%	1,18,289.51	43.54%	37,124.84
Total	**100.00%**	**4,50,678.00**	**100.00%**	**85,261.06**

Particulars	Share in other comprehensive income		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Potash Limited	(1,658.99%)	651.32	57.59%	49,083.25
IPL Sugar & Allied Industries Limited	-	-	(0.35%)	(295.69)
Jordan Phosphate Mines Company	1,758.99%	(690.58)	42.75%	36,434.26
Total	**100.00%**	**(39.26)**	**100.00%**	**85,221.81**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

34. Additional information.... (Continued)

For the year ended 31 March 2020

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Potash Limited	77.27%	2,82,936.01	82.33%	31,042.84
IPL Sugar & Allied Industries Limited	(0.28%)	(1,008.92)	(1.39%)	(525.47)
Jordan Phosphate Mines Company	23.01%	84,244.04	19.06%	7,188.25
Total	**100.00%**	**3,66,171.13**	**100.00%**	**37,705.62**

Particulars	Share in other comprehensive income		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Indian Potash Limited	60.97%	2,586.91	80.17%	33,629.75
IPL Sugar & Allied Industries Limited	0.00%	-	(1.25%)	(525.47)
Jordan Phosphate Mines Company	39.03%	1,656.23	21.08%	8,844.48
Total	**100.00%**	**4,243.14**	**100.00%**	**41,948.76**

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company

Revenue	Sales (in thousands of Jordanian Dinars)	
	31 March 2021	31 March 2020
Phosphate unit	296,780.00	339,317.00
Fertilizer unit	177,240.00	144,792.00
Indo Jordan	79,725.00	104,760.00
Nippon	46,410.00	44,642.00
Trading in raw materials	6,456.00	7,282.00
Total	**606,611.00**	**640,793.00**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company respectively (continued)

Goodwill	Amount (in thousands of Jordanian Dinars)	
	31 March 2021	31 March 2020
Fertilizers unit goodwill*	15,680.00	15,680.00

*Fertilizers unit goodwill
During 1986, the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") as agreed by the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group. Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities that have been recorded on 1986.

Impairment test of Goodwill

The recoverable amount of the Fertilizers Unit has been determined using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 16.6% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

Key assumptions used

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales: The quantities sold during 2020 were used to build up the projected 5 years future sales.

Projected costs: The costs incurred during 2020 except for raw material prices, were used to build up the projected 5 years cost."

Discount rate : The discount rate used reflects the management's estimate of the risks specific to the fertilizer unit and to the industry to determine the weighted average cost of capital which represent the discount rate used of 16.3%.

Raw materials and selling prices: Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

Sensitivity to changes in assumptions: With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company respectively (continued)

Provision for employees' benefits

The table below illustrates the details of provisions for employees' benefits as of 31 December is as follow:

Particulars	Amount (in thousands of Jordanian Dinars)	
	31 December 2020	31 December 2019
Defined benefit plans (A)	107,597.00	100,034.00
Employees' compensations (B)	821.00	822.00
Employees incentives and retirees' grants (c)	825.00	772.00
Total	**109,243.00**	**101,628.00**
Current portion	25,537.00	15,491.00
Non-current portion	83,706.00	86,137.00
Total	**109,243.00**	**101,628.00**

A- Defined benefit plans

The following is the movement on the provision of defined benefit plans :

Particulars	31 December 2020 (in thousands of Jordanian Dinars)		
	End of Service Bonus Compensation *	Death and Compensation fund **	Total
Balance as of 1 January	1,986.00	98,048.00	100,034.00
Service cost	100.00	4,203.00	4,303.00
Interest cost	100.00	5,192.00	5,292.00
Amendments	-	(218.00)	(218.00)
Employees contributions	-	(498.00)	(498.00)
Paid benefits during the year	(109.00)	(9,758.00)	(9,867.00)
Employee share of payments	-	498.00	498.00
Actuarial loss due to experience	-	4,023.00	4,023.00
Actuarial loss due to change in financial assumptions	-	4,030.00	4,030.00
Balance as of 31 December	**2,077.00**	**105,520.00**	**107,597.00**

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company respectively (continued)

Particulars	31 December 2019 (in thousands of Jordanian Dinars)		
	End of Service Bonus Compensation	Death and Compensation fund	Total
Balance as of 1 January	2,094.00	96,831.00	98,925.00
Service cost	100.00	4,508.00	4,608.00
Interest cost	100.00	5,683.00	5,783.00
Amendments	-	-	-
Employees contributions	(308.00)	(518.00)	(826.00)
Paid benefits during the year	-	(15,794.00)	(15,794.00)
Employee share of payments	-	518.00	518.00
Actuarial loss due to experience	-	976.00	976.00
Actuarial loss due to change in financial assumptions	-	5,844.00	5,844.00
Balance as of 31 December	**1,986.00**	**98,048.00**	**100,034.00**

* During 2011, the Company calculated the provision for employees' end-of-service bonus based on JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July 2011 and 28 July 2011 which set the end of service bonus basis. The Board of Directors decided in 2018 to grant employees who are included in this program and are still on their jobs, if they wish to terminate their services before 31 December 2018, an incentive by increasing the compensation to become JD 2,000 for each year of service, the additional provision is amounted to JD 169 thousand as of 31 December 2018.

End-of-service bonus compensation is earned based on years of service and the liability is determined based on the present value of the gross liability at the date of the consolidated financial statements. The end-of-service bonus compensation using the projected unit credit method.

** During March 2015, the Group established the Death and Compensation Fund in accordance with the Board of Directors resolution. The Fund grants the employees included in the Fund plan upon their retirement, an average of two months' salary as a bonus for each year of service with a maximum of 23 years of service and the bonus amount is determined based on the last salary subject to social security and capped at JD 4,000. The fund objectives are as follow:

1 Reducing the cost of employees' salaries.
2 Reducing the number of employees in the Company as a technical study showed that Company's operations can be handled with no more than 2,000 employees.
3 Multiplicity of compensation schemes for the years (2000-2011) failing to reduce number of employees or cost of salaries.

The fund is independent financially and managerially from the Company as its designed to benefit 150 employees annually so that the fund can meet its obligations. Since inception the fund was considered as defined contribution plan since the Group's financial obligations was limited to the Company's share which amounted to 25% of gross monthly salaries subject to social security.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company respectively (continued)

During 2018, due to the increase in number of employees benefiting from the fund over 150 employees annually, there was a deficit in the fund's liquidity to meets its obligations which caused the Group to provide a loan to the fund to be repaid through predetermined payments. However, the Group continue to treat the fund as a defined compensation plan based on assumptions used to determine the fund's ability to meet its obligations towards the Group.

During 2020, The Group reconsidered the assumptions used during 2018 and concluded that the fund is unable to meet its obligation since the Group did not cope with the fund's designed capacity of 150 employees per year on the short term.

The Group's practice to cover the fund's deficit in addition to the Group's decision to increase the number of employees benefiting from the plan resulted in a contractual obligation in accordance with International Accounting Standards (IAS19) "employees benefits" which required the change in the accounting treatment for the benefit from defined contribution plan to defined benefit plan which required restatements of prior years (Note 45).

According to the defined benefit obligation, the Death and Compensation fund's liability is calculated based on year of service and the present value of the defined obligation is determined by discounting estimated future cash flows using the interest rate on high quality governmental bonds.

Restatement of prior years

As referred to in note 17 of the consolidated financial statements of Jordan Phosphate Mines Company, the Group changed the accounting treatment of the Death and Compensation fund from defined contribution plan to defined benefit plan as a result of the Group reconsideration of the assumptions used to estimate the Death and Compensation fund's ability to meets its obligations which shows the raise of contractual obligations on the Group which resulted in restatement of prior years. Impact on the consolidated statement of financial position as at 1 January 2019:

Consolidated statement of financial position:

Particulars	Before restatement	Prior years restatement	After restatement
	JD ('000)	JD ('000)	JD ('000)
Non-current Assets			
Deferred tax assets	18,944	24,450	43,394
Equity			
Retained earnings	368,587	(86,495)	282,092
Current liabilities			
Provisions for employees' benefits	1,168	13,143	14,311
Other current liabilities	28,650	14,114	42,764
Non-current liabilities			
Provisions for employees' benefits	2,827	83,688	86,515

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

35. Extracts of revenue details, Goodwill, Provision for employee benefits and Restatement of prior years - Note 23, Note 6, Note 17 and Note 45 of Consolidated Financial Statements of Jordan Phosphate Mines Company respectively (continued)

Impact on the consolidated statement of financial position as at 31 December 2019:

Consolidated statement of financial position:

Particulars	Before restatement	Prior years restatement	After restatement
	JD ('000)	JD ('000)	JD ('000)
Non-current Assets			
Deferred tax assets	13,321	26,564	39,885
Loans receivable	20,351	(7,981)	12,370
Other current assets	2,476	4,780	7,256
Current Assets			
Other short-term current assets	58,465	(13,688)	44,777
Short term loans receivable	2,817	(2,817)	-
Equity			
Retained earnings	373,954	(91,201)	282,753
Non-current liabilities			
Provisions for employees' benefits	2,808	83,329	86,137
Current liabilities			
Provisions for employees' benefits	772	14,719	15,491
Other current liabilities	29,406	11	29,417

Consolidated statement of comprehensive income

Particulars	Before restatement	Prior years restatement	After restatement
	JD ('000)	JD ('000)	JD ('000)
Actuarial losses from the revaluation of a defined benefit plan	-	4,706	4,706

Changing the accounting treatment for the death and compensation fund from defined contribution plan to defined benefit plan did not have a significant impact on income statement items hence, the consolidated statement of income was not restated.

Notes to consolidated financial statements as at and for the year ended March 31, 2021
All amounts in Indian Rupees lakhs, unless otherwise stated

36. Scheme of arrangement

The Board of Directors of the Company, at its meeting held on August 14, 2019, approved a scheme of amalgamation, pursuant to Section 233 of Companies Act, 2013 ("the scheme"), with appointed date as April 1, 2019. The scheme provides for merger of Goldline Milkfood and Allied Industries Limited (GMAIL), Sri Krishna Fertilisers Limited (SKFL), and IPL Gujarat Port Limited (IGPL) ('transferor companies'), with the Company ('transferee company').

The Company and all the aforesaid subsidiaries had approached the Regional Director, Registrar of Companies, Southern Region ('RD') with a proposal to merge their businesses in accordance with the provisions of Section 233 of the Companies Act, 2013. The said proposal was approved by RD on September 30 , 2020 with an appointed date of April 1, 2019 for the merger.

37. The covid 19 pandemic is unprecedented and measures to contain it has caused significant disturbances and slow down of economic activity.The Group is in the business of trading fertilizers, manufacturing sugar, dairy products and other agro related products. Since the above industry have been identified as essential service, the Company is in a position to provide the above products subject to certain logistical challenges, which the Group foresees to overcome.

Management of the Group believes that it has taken into account all the possible impact of known events arising due to COVID -19 pandemic in preparation of the consolidated financial statements as at March 31, 2021. The group continues to monitor the economic effects of the pandemic and assess the impact if any.

38. Previous Year's figures are recast/regrouped wherever necessary to conform to the classification of the current year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126

Place : Chennai
Date : 8 September 2021

For and on behalf of the Board of Directors

Sundeep Kumar Nayak
Chairman
DIN: 02140600

P.S.Gahlaut
Managing Director
DIN: 00049401

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : New Delhi
Date : 8 September 2021

R. Srinivasan
Chief Financial Officer

IPL

INDIAN POTASH LIMITED

1st Floor, Seethakathi Business Centre
684-690, Anna Salai, Chennai- 600 006