

INDIAN POTASH LIMITED



68th
**ANNUAL
REPORT**
2022-23

IPL FERTILISERS

IPL DAIRY & FEEDS DIVISION

IPL SUGARS & BIO FUELS LIMITED

68TH ANNUAL REPORT 2022 - 23



INDIAN POTASH LIMITED

REGISTERED OFFICE :

1st FLOOR, SEETHAKATHI BUSINESS CENTRE,
684 - 690, ANNA SALAI, CHENNAI - 600 006.

TELEPHONE : 044 -28297855

FAX : 044 -28297407

CIN: U14219TN1955PLC000961

BOARD OF DIRECTORS



SHRI. PANKAJ KUMAR BANSAL, IAS
Chairman



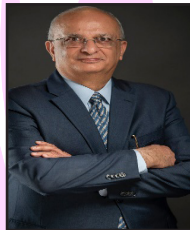
Dr. U.S. AWASTHI



SHRI. DILEEP SANGHANI



SHRI. PREM CHANDRA MUNSHI



SHRI. RAKESH KAPUR



SHRI. MUKESH PURI, IAS



Dr. SUNIL KUMAR SINGH



Dr. M. V. RAO, IAS



SHRI. A. SREENIVAS, IAS



SHRI. SUDHAKAR TELANG, IAS



SHRI. RAHUL PANDEY, IFS



SHRI. U. SARAVANAN



SHRI. SUDHIR BHARGAVA



SHRI. ARVIND KUMAR KADYAN



Ms. VANDANA CHANANA



Dr. P.S. GAHLAUT
Managing Director

BANKERS

STATE BANK OF INDIA

AXIS BANK LTD

HDFC BANK LTD

INDUSIND BANK LTD

ICICI BANK LTD

IDBI BANK LTD

KOTAK MAHINDRA BANK LTD

CANARA BANK

IDFC FIRST BANK LTD

RBL BANK LTD

DBS BANK INDIA LTD

BANK OF BARODA

AUDITORS

M/s. MSKA & Associates Chartered Accountants

NOTICE OF 68th ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting of INDIAN POTASH LIMITED (“the Company”) will be held on Saturday, the 22nd July, 2023 at 12.00 Noon through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS:

Item No.1- Adoption of Financial Statements

To receive, consider and adopt:

- a) The Audited Standalone Financial Statements of the Company for the year ended March 31, 2023, together with the Report of the Board of Directors and Auditors thereon.

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, the Report of the Board of Directors and Auditors’ thereon placed before the 68th Annual General Meeting be and are hereby adopted”.

- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors thereon.

“**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, the Report of the Board of Directors and Auditors’ thereon placed before the 68th Annual General Meeting be and are hereby adopted”.

Item No. 2- Declaration of Dividend

To consider and declare Final Dividend of Rs.7/- per fully paid-up Equity Share of face value Rs.10/- each for the Financial Year 2022-23 and the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on 07th July, 2023.

“**RESOLVED THAT** a dividend of Rs.7/- per fully paid-up Equity Share of Rs.10/- each be declared for the Financial Year ended March 31, 2023 and that the same be paid out of the profits of the Company to those shareholders whose name appear in the Register of Members as on 07th July 2023.

Item No.3- Re-appointment of Shri Prem Chandra Munshi (DIN : 03597933) who retires by rotation

To appoint a Director in place of Shri Prem Chandra Munshi (DIN : 03597933) who retires by rotation and being eligible, offers himself for re- appointment.

RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Prem Chandra Munshi (DIN : 03597933), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

Item No.4 – Re-appointment of Shri Mukesh Puri (DIN: 03582870) who retires by rotation

To appoint a Director in place of Shri Mukesh Puri (DIN: 03582870) who retires by rotation and being eligible, offers himself for re- appointment.

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Mukesh Puri (DIN: 03582870), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

Item No. 5 – Re-appointment of Shri Sudhakar Telang (DIN: 08276447) who retires by rotation

To appoint a Director in place of Shri Sudhakar Telang (DIN: 08276447) who retires by rotation and being eligible, offers himself for re-appointment.

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sudhakar Telang (DIN: 08276447) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

SPECIAL BUSINESS

Item No. 6 -To ratify the appointment of Cost Auditors for the Financial Year 2023-24 and fix their remuneration

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and subject to such guidelines and approval as may be required from the Central Government, the appointment of M/s. R. M. Bansal & Co. Cost Accountants, Lakhanpur, Kanpur, Uttar Pradesh (U.P.) as Cost Auditor of the company to conduct audit of cost accounting records maintained by the Company for Fertiliser (SSP Unit - Muzaffarpur), Sugar and Sugar Products manufactured by the Company for the Financial Year ending on 31st March 2024 at a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) for each unit / factory exclusive of taxes, traveling and out of pocket expenses incurred in connection with the audit be and is hereby ratified;

RESOLVED FURTHER THAT the Managing Director / Chief Financial Officer / Company Secretary of the Company be and are hereby authorized severally to do acts, deeds and things and take all necessary steps as may be necessary proper and expedient to give effect to this resolution”.

Registered Office

Seethakathi Business Centre
1st Floor, 684 -690, Anna Salai
Chennai - 600 006
CIN : U14219TN1955PLC000961

By order of the Board

For Indian Potash Limited

Dr. Girish Kumar
Company Secretary

Date : 29.06.2023

Place : Chennai

NOTE:

1. Ministry of Corporate Affairs (“MCA”) has vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular 03 / 2022 dated May 5, 2022 followed by Circular No. 10/2022 and 11/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and all other relevant circulars issued from time to time, permitted the holding of AGM through VC / OAVM, without physical presence of the Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC / OAVM without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence the Proxy Form and Attendance slip including Route Map are not annexure to this Notice.
4. Institutional / Corporate Members are requested to send to the Registered Office of the Company a scanned copy of the Board Resolution authorizing its representative(s) to attend and vote at the AGM pursuant to Section 113 of the Companies Act, 2013.
5. The Members are requested to notify any change in their E-mail address immediately to the Company.
6. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection at the Registered Office of the Company.
7. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or arrangements maintained under section 189 of the Companies Act, 2013 shall be available for inspection at the Registered Office of the Company.
8. The link for the zoom meeting is given herein:
<https://us06web.zoom.us/j/85907469517?pwd=azlRbGc5TzRiRjB0WkVRc3lwOGwxUT09>
Meeting ID : 859 0746 9517
Passcode : 701424
9. The shareholders shall login on the meeting in the above mentioned ID by giving the above mentioned Meeting ID and Passcode. In case of any difficulty in login in to the meeting, the members can write to girish.kumar@potindia.com and selvam@potindia.com or contact at the Office No. 044-28297855.
10. Members are requested to login to the above link at least 30 minutes before the meeting time so that last minute rush can be avoided. The meeting shall be conducted by the company in accordance with MCA General Circulars issued from time to time.
11. Attendance of the members participating in the 68th AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("ACT") sets out all material facts relating to the item mentioned in the SPECIAL BUSINESS are given below:

Relevant documents in respect of the said item is open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice.

Item No. 6

As per the provisions of Section 148 of the Companies Act, 2013, the company is required to appoint a Cost Auditor with the prescribed qualifications. As per the proposal received from the Audit Committee for appointment of Cost Auditor for the Financial Year 2023-24, the Board proposed to appoint M/s. R. M. Bansal & Co. Cost Accountants, Lakhanpur, Kanpur, Uttar Pradesh (U.P.) as Cost Auditors of the Company for the Financial Year 2023-24.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the shareholders of the Company. Hence this resolution is put for the consideration of the shareholders.

The Directors recommend the Resolutions at Item No. 6 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel or their relatives are concerned or interested in the passing of the resolution at Item No. 6.

Registered Office
Seethakathi Business Centre
1st Floor, 684 -690, Anna Salai
Chennai - 600 006

By order of the Board
For Indian Potash Limited

Dr. Girish Kumar
Company Secretary

Date : 29.06.2023
Place : Chennai



IPL

Dear Shareholders,

DIRECTORS' REPORT

The Directors have pleasure in presenting their 68th Annual Report along with audited accounts of the Company for the year ended 31st March, 2023.

GENERAL

The Agro-climatic conditions in the country in the last few years are a major cause of concern for not only Agriculture inputs industry but also for policy planners. It has been seen that in a particular year, the total rainfall is normal but its spacing is quite uneven.

India received 130.6 mm rainfall during pre-monsoon 2022 season which is 1% less than its Long Period Average (LPA) of 131.7 mm. During this season, out of 36 meteorological subdivisions, 6 received large excess rainfall, 4 received excess rainfall, 8 received normal rainfall, 10 received deficient rainfall and 8 received large deficient rainfall.

The onset of South-west monsoon was little ahead from normal time but the progress has been sluggish with the country reporting rainfall deficit of 8%. During the South-west monsoon 2022, India received 925 mm rainfall which was 6.5% above than the normal SW Monsoon rainfall of 868.6 mm. The southwest monsoon seasonal (June to September) rainfall over the four homogeneous regions is Normal over Northwest India (101%) and excess in central India (119%) and South peninsula (122%) and seasonal rainfall is deficient over East and Northeast India (82%). The Southwest monsoon seasonal rainfall over the monsoon core zone, which consists of most of the rainfed agriculture regions in the country had been above normal (120% of LPA). Out of the total 36 meteorological subdivisions, 12 subdivisions constituting 40% of the total area of the country received excess, 18 subdivisions constituting 43% of the total area received

normal rainfall and 6 subdivisions constituting 17% of the total area received deficient season rainfall.

During the post-monsoon season (October 2022 – December 2022), country received rainfall which was 19% higher than the LPA. Out of 36 meteorological subdivisions, 16 received large excess / excess rainfall, 14 received normal rainfall and 6 subdivisions received deficient / large deficient rainfall.

The live storage in 146 major reservoirs as on 31st March 2023 was 76.058 Billion Cubic Meter (BCM), which is 94% of total live storage of corresponding period of last year of 81.19 BCM and 118% of storage of average of last 10 years.

The healthy reservoir levels helped well for a timely onset of rabi sowing despite concerns remained both for availability of labour in specific states and fertilisers.

SALES

In the initial period of current fiscal, import of your company's flagship products namely DAP and MOP reduced by 21% and 27% respectively on a corresponding previous period comparison mainly due to increased international prices and less availability of fertilisers. Soaring international prices are driven by confluence of factors including surging input costs, supply disruptions caused by sanctions (Belarus and Russia), China suspending DAP exports at least till June 2022 has further limited supplies in DAP product in global markets. The concerns around fertilizer affordability and availability have been amplified further by war in Ukraine, disruptions in Black sea trading routes. Thus, the systemic inventory for fertilisers in the country declined to the lowest levels in the current fiscal and thereby reduction in imports.

The Government did raise the subsidy under the Nutrient Based Subsidy (NBS) Scheme effective from April 2022 to safeguard against

the elevated international prices and yet the increase was not commensurate and adequate to meet the ever increasing import costs. Additional support promised in view of continued imports at such elevated international prices was also not announced despite huge imports made by the company on such assurance to ensure continued availability. However, the NBS subsidy has since seen a reduction effective once from October, 2022 downwards in all major product segments.

Post September 2022, the import prices has seen some moderation and the availability of fertilisers has started to improve with overall inventory levels remained comfortable. In view of this, the NBS subsidy saw a further reduction in fertilisers for the second time in the current fiscal effective from January 2023 and this has impacted the profitability of the company considerably to a great extent.

This spurt increase in international prices of DAP during the year under review has led your company to lower the importation of DAP by 5% and MOP by 20% and for bridging the gap of phosphatic fertilisers, imported higher quantities of complex fertilisers by 198% and thus the company is able to achieve an impressive sales performance on complex fertilisers front.

The Company's first point sales has increased for DAP by 36% and MOP decreased by 4% as compared to the All India Sales performance increase for DAP by 41.7% and decrease in MOP by 4.8%. On the retailer sales through point of sales (POS), the All India POS sales of MOP and Complex fertilisers for the year under review showed a de-growth of 33.6% and 12.2% as compared to previous year de-growth of 28.3% and 2.8% respectively while DAP showed a growth of 13.6% for the year under review as compared to previous year de-growth of 22.1%.

The sales through point of sales (POS) for the company during the year under review is lower for MOP by 23.8% as compared to previous year de-growth of 19.7%, growth in Complex fertilizer by 12.6% for the year under review as compared

to previous year growth of 32.2% and growth of DAP by 13.3% for the year under review as compared to the previous year de-growth of 12.2%.

The macro picture of abnormal increase in sales of DAP and reduction in MOP is a pointer to the deteriorating NPK ratio which stands at 12:5:1 for major periods under review against ideal consumption of 4:2:1. The main reason for the skewed consumption of different fertilisers is distortion in MRPs as DAP per bag at Rs. 1,350/= is cheaper than all complexes and MRP of MOP at Rs 1,700/= per bag which is the highest price for any fertilizer in the country and has never been the case in the past several years. Primarily, the distortion was caused by abnormal circumstances experienced in the fiscal years 2022 and 2023 and it is hoped that with the gradual softening of international prices of different fertilisers and fertilizer raw materials, the prices will get corrected in Fiscal year 2024.

On division wise performance, Sugar industry witnessed almost a balanced demand-supply position thereby resulting in uptrend in prices and this trend was maintained for the major part of the year under review as well, given the supply constraints continuing from Brazil as well as increased diversion towards ethanol in India. Hence, this combination of factors including selling prices stabilizing at higher levels, higher sucrose diversion, limited sugar production and encouraging export outlook has further strengthened the profitability of sugar division for the year under review. The company has also completed its export quota with a reasonable profit.

On Dairy division performance, the demand for liquid milk segment was relatively stable and revival in this segment was seen in both milk and milk products from demands coming from institutions, hotel establishments, restaurants and other catering segments. This increased consumption has resulted in good performance for the year ended March 2023.

FINANCIAL RESULTS FOR THE YEAR 2022-23
Financial Summary

| Particulars | Amount in (Rs. Lakhs) | Amount in (Rs. Lakhs) |
|--|--------------------------|--------------------------|
| | FY 2022-23 | FY 2021-22 |
| Total Income | 34,01,075.43 | 18,71,548.10 |
| Total Expenses | 32,98,778.21 | 17,89,362.78 |
| Profit Before Tax (PBT), Finance cost and Depreciation | 1,76,644.45 | 98,639.06 |
| Less: Finance Costs | 69,578.18 | 11,814.94 |
| Less: Depreciation and Amortization Expenses | 4,769.05 | 4,638.80 |
| Profit Before Tax | 1,02,297.22 | 82,185.32 |
| Current Tax | 26,546.24 | 23,055.00 |
| Deferred Tax | 600.24 | (2,375.81) |
| Net Profit after Tax (PAT) | 75,150.74 | 61,506.13 |

Your Company's total volume sales of all products at 6.9 million tonnes (excluding Urea on DOF account at 1.7 million tonnes) is showing 10% (approx.) growth over 6.3 million tonnes clocked during the previous year.

The total income of the Company during FY 2022-23 at Rs. 34,010.75 crores shows a growth of 82% (approx.) as compared to turnover of Rs. 18,715.48 crores clocked in the same period last year. Had the value of High sea sales made towards Urea imported on DOF account for FY 2022-23 at Rs. 8,435.97 crores were to be added, the absolute value of the turnover at gross level will stand at Rs. 42,446.72 crores. However, for the purpose of disclosure in the financial statements in accordance with applicable accounting standards, the canalizing transactions of Urea imported on DOF account is shown after reducing the cost of import of urea from the gross High sea sales value leaving the margin reported at net level.

The growth in total income is despite negative impact on account of downward revision in subsidy price per ton effected by the Government effective once in October 2022 and other effective from January 2023.

The members are aware of an exceptional situation the country was in to meet the DAP

requirements in the peak Rabi season – October 2021 to March 2022 wherein the Department of Fertilisers in order to tide over a crisis situation and to ensure continuity of supplies and availability of fertilisers, the fertilizer companies was exhorted to import DAP and towards this the Department of Fertilisers had fixed company wise targets for imports / production of DAP because of after effects of Covid-19 and Russia-Ukraine conflict due to which the international prices of DAP were continue to be at an all time high during first six months of fiscal year namely April '22 - September '22.

Notwithstanding all these hardships, the company complied with the department's order and the Company has requested the Department of Fertilisers through the association forum to compensate the company for the higher import cost which was not envisaged when the subsidy was fixed originally for Kharif 2022-23. Also the company's had requested that the compensation allowed on Rabi 2021-22 imports be enhanced as the compensation was inadequate The Government has assured the industry of due compensation of losses suffered by the companies in this regard.

The profits of the company for the current year does not include the compensation pending to be given as the quantity involved and absolute value is yet to be quantified.

But, regardless of this set back, the total income increased over the corresponding previous year by 82% (approx.). The Profit Before Tax (PBT) stands at Rs. 1,022.97 crores and thereby registering a growth of 24% over the previous year which stood at Rs. 821.85 crores. The Profit After Tax (PAT) at Rs. 751.50 crores shows 22% growth over last year PAT of Rs. 615.06 crores.

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

1. The distribution of fertilisers during the year was closely monitored by the Department of Fertilisers as well as by State Governments because of uncertainty, non-availability

and abnormal increase in the global prices. The perception of IPL (“the Company”) as a reliable supplier resulted in growth in the sales of DAP, Complex fertilisers etc. since many State Governments insisted on IPL’s supplies.

2. An abnormal high volatility was seen in forex markets this year against a fairly stable market conditions last year. The rupee which had opened at USD 1 = Rs. 75.79 on 1.4.22, USD 1 = Rs. 78.97 on 30/6/2022, USD 1 = 81.34 on 30/9/2022, USD 1 = Rs. 82.72 on 31/12/2022 and finally closed at USD 1 = Rs. 82.17 on 31/03/2023 and the Company booked a forex loss of Rs. 218.09 crores on account of the above volatility impact.
3. Finance costs increased by Rs. 577.63 crores (after considering impact of Rs. 436.06 Crores towards forex costs on buyer’s credit in line with disclosure requirements per Ind AS 23 for grouping under finance costs) warranting higher deployment of working capital. Also, the Company faced abnormal delays in reimbursement of subsidy by the Government of India leading to higher interest outgo. Steep increase seen in costs of financing of imports to SOFR from LIBOR and this has resulted in higher interest burden.
4. The negative impact of downward revision of subsidy effected by the Government of India once in October’22 and other in January’23 aggregating to Rs. 700 crores (approx.)
5. The Company always carefully monitors and controls operational cost, selling expenses and administrative expenses and aligns its expenses to the sales volume.
6. There has been an overall improvement in the performance of Dairy and Cattle feed division under several operations / financial metrics.
7. Sugar Division achieved Profit for Rs.81.14 Crores for the period ended March 2023 from Rs.42.56 Crores for the corresponding

previous period. We had merchant export of sugar at 7.75 lakhs Quintals during the year.

8. The Compressed Bio-gas division supplied 16.55 Lakh KG to IOCL service/filling station for sale value of Rs.10.15 crores for the period ended March 2023.

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.

The Company has successfully merged and integrated the activities of Sugar, Distillery, Soya and Bio-waste at Dhenkanal, State of Odisha by way of a slump sale on “As is where is and what is “ basis from the Sakthi Group of Companies based in Coimbatore, State of Tamilnadu into the Company’s operations effective from 12th November, 2022. This acquisition by the Company is expected to add value and profitability and enhance the Company’s presence in the State of Odisha.

Grain Based Distillery Project

The Company has started on its green field project of developing a 190 KLPD Grain based distillery project at Talajaring, State of Odisha and the construction activity is progressing as per schedule with the commencement of operations expected by end October 2023.

EXTENSION & PROMOTION ACTIVITIES CONDUCTED DURING 2022-23

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 163 Crops Demonstrations,



conducted 109 numbers of Field Days. We have organized 98 Sales Campaigns, 228 Farmer's Meetings, 23 Crop Seminars and 44 numbers of Dealer's Training Programs. We have also participated in 33 Agri Fair/ Exhibitions. We have done 2,03,696 sq. ft. of Wall/Trolley paintings in rural areas. Apart from this, we have also done 2104 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 Polyhalite Leaflet in 13 regional languages, Polyhalite Potato Folder in Hindi, Punjabi and Gujarati language, Nano Urea folder in 14 languages, NPK 16 - 16 - 16 Folders in 4 languages, Bio Potash Leaflet, Potash Folder, Soybean Folder, Sugarcane Folder, Paddy Folder, Vegetables Folder, Fermented Organic Manure Leaflet, Wheat Folder, Mustard Folder, Maize Folder, City Compost Leaflet, Groundnut Leaflet in Gujarati, Sugarcane Leaflet in Gujarati, Banana Leaflet in Gujarati, Paddy Leaflet in Gujarati, Cotton Leaflet in Gujarati, Polyhalite Leaflet in Gujarati, Wheat leaflet in Gujarati, General Recommendation of Fertilizer Leaflet in Gujarati, City Compost Leaflet in Gujarati, 20-20-0-13 Folder in Marathi language, Nano Urea Carry Bags, Polyhalite Carry Bags, Cattle Feed Carry Bags in Hindi, Telugu & Tamil and MOP & Polyhalite Carry Bag in 12 languages. These promotional measures are an integral part of the company's initiative to reach out to farmer community at large.

PFL: (POTASH FOR LIFE)

This project has been continuing since October 2013 and has been phased over 9 years and being implemented in 13 states: Assam, West Bengal, Bihar, Chhattisgarh, Punjab, Haryana, Jammu & Kashmir, Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra and Uttar Pradesh, to educate the farmers to correct the imbalance use of fertilizers. During the year 2022, we had laid out 528 Field Demonstrations, conducted 187 Field Days, 277 Farmer's Meetings, organized 37 Potash Campaigns, 19 Crop Seminars, 1,26,990

sq. ft. of Wall Painting and 9 Dealers Training Programs and participated in 17 Agriculture Fairs and Exhibitions.

IPPP: (IPL POTASH PROMOTION PROJECT)

IPPP project has started in year 2021-22 and is being implemented in 5 states: Odisha, Haryana, Rajasthan, Gujarat, and Tamil Nadu. During the year 2022-23, we had laid out 218 Crop Demonstrations, conducted 37 Field days, organized 107 Farmer's Meetings, 14 nos. of Sales Campaigns, 5 Crop Seminars, 9 Dealers/Retailers Training Programmes and also done 40,374 sq. ft. of Wall Paintings.

BNPP: (BALANCE NUTRITION PROMOTION PROJECT)

The BNPP project has started in year 2021-22 and is being implemented in 5 states: Telangana, Karnataka, West Bengal, Maharashtra & Tamil Nadu. During the year 2022-23, we had laid out 69 Crop Demonstrations, conducted 37 Field Days, organized 55 Group and Small Farmer Meetings, 6 nos. of Crop Seminar, 5 nos. of Sales Campaigns, 1 nos. of Training Programme, participated in 3 nos. of Farmer's Fairs and Exhibitions and also done 2,317 sq. ft. of Wall Paintings.

PROSPECTS FOR 2023-24

The India Meteorological Department's (IMD) forecasted a slight delay in monsoon arrival, it had also predicted that El Nino conditions could develop during the monsoon season and the impact of which could be visible in the second half of the season. The occurrence of El Nino may impact the agricultural output and rural income. Sugar division and fertilisers which derive a significant portion of their demand from rural income could possibly face this El Nino impact marginally.

The moderation and the correction in the international prices of phosphatic and potassic fertilisers will result in reduction in overall subsidy budget of the Government and at some stage reduction in MRPs leading to higher demand.

Timely payment of subsidy by Government is thus expected to improve credit profile of the Company. Any delay will impact the liquidity position of the company.

The Company during the year is also expected to reap the benefits of diversification benefits from investments done in sugar division with addition of distillery and Bio-CNG capacity.

The Cattle Feed/Dairy Division has been generating small profits on steady basis for the Company on every year and we hope to continue the same in 2023/24 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, 2023 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 2022 – 23 and challenges ahead for 2023 - 24, the Directors recommended a Dividend of Rs. 7/- per fully paid up Equity Share of Rs. 10/- each, subject to the approval of Shareholders.

DETAILS OF SUBSIDIARY COMPANY

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 subsidiary 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 the subsidiary is available for inspection at the registered office of the Company.

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 2022-23

- Shri. Pankaj Kumar Bansal, IAS, Managing Director, National Cooperative Development Corporation as a Nominee Director in the place of Shri. Sundeep Kumar Nayak.
- Shri. U. Saravanan, Chairman and Managing Director, Madras Fertilisers Limited as a Nominee Director in the place of Shri. S. C. Mudgerikar, Chairman and Managing Director, Rashtriya Chemicals and Fertilisers Limited.
- Shri. Rahul Pandey, IFS, Managing Director, The Andhra Pradesh State Cooperative Marketing Federation Limited as a Nominee Director in the place of Shri. Pradyumna. P. S.

The Board is pleased to place on record the valuable services rendered by Shri. Sundeep Kumar Nayak, Shri. S. C. Mudgerikar and Shri. Pradyumna. P. S. during their tenure as Nominee Director of the Company. The Board also extends a warm welcome to the Directors who have been nominated on the Board during the current year under review.

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

Directors liable to retire by rotation

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

1. Shri. Prem Chandra Munshi
2. Shri. Mukesh Puri
3. Shri. Sudhakar Telang

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

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 and

Dr. Girish Kumar, Company Secretary

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Regular meetings of the Board are held to discuss and decide on various business policies, strategies etc. The Board met Six (6) times through Physical as well as Video Conference held in accordance with the circulars issued by the Ministry of Corporate affairs from time to time. The Board Meetings held on 30th May 2022, 13th June 2022, 05th September 2022, 18th November 2022, 27th February 2023 and 22nd March 2023 during the FY 2022 – 23.

AUDIT COMMITTEE

Pursuant to the provisions under Section 177 of the Companies Act, 2013, the Audit Committee met on 13th June 2022, 28th July 2022 and 16th February 2023 which was attended by all the members of the Audit Committee.

The terms of reference of Audit Committee is as per the provisions of the Companies Act, 2013 and 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 23rd September 2022 and 16th March 2023, 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.

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 27th September 2022 which was attended by all the members of the CSR Committee.

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 emphasized on the following Six thrust areas for CSR activities in accordance with Schedule VII of the Act and the Company’s CSR policy for the Financial Year 2022 – 23:

- a) Promoting Preventive Health Care
- b) Promoting Swachh Bharat Mission
- c) Promoting Skill Development and Livelihoods
- d) Promoting Education including Special Education to Differently Abled Persons
- e) Promoting conservation of natural resources and climate action
- f) Promoting Rural Development Activities

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

The Company has constituted CSR committee which is in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder as follows :

| S. No | Name of the Director | Details of the Director (DIN) | Designation / Nature of Directorship |
|-------|--------------------------------|-------------------------------|--------------------------------------|
| 1* | Shri. Pankaj Kumar Bansal, IAS | 05197128 | Chairman |
| 2 | Shri. Arvind Kumar Kadyan | 09264784 | Member |
| 3 | Ms. Vandana Chanana | 07238012 | Member |

Note : Shri. Sundeep Kumar Nayak was the chairman of the CSR Committee of the Board up to 5th September 2022.

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. MSKA & Associates, Firm's Registration No. 105047W were appointed as the Statutory Auditors for a period of 5 years to hold office from the conclusion of the 67th Annual General Meeting until the conclusion of the 72nd Annual General Meeting of the company.

In response to the auditors qualifications / observations on the first information report (FIR) filed by Central Bureau of investigation (CBI) against the Managing Director of the company, the status is that 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 responded to the queries raised by the authorities both through written form and also by way of personal appearance on various dates and there has not been any development in this matter since the last annual report of 2021/22. As 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 reposed confidence in the office of the 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.

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 Rengarajan & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure 2**.

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, U.P as a Cost Auditor for auditing the Cost Accounts in respect of SSP Unit (Muzaffarpur) sugar products of the Company for the Financial Year 2023-24. 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 extracts of the Annual Return as at March 31, 2023 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, 2023 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 to support our business to manage and effectively mitigate critical risks. The Board is 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 the committee meetings, etc.

PARTICULARS OF EMPLOYEES

The particulars of employees as required 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 25 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 & 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.

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, 2023, 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, 2023 on a going concern basis.
- e) The Directors have laid down Internal financial controls to be followed by the Company 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.

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 '5' 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 - 5 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, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days. None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

DISCLOSURE UNDER IBC

The details of application made 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 support.

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 of the Company at all levels.

Date : 20th June 2023

On behalf of the Board

Pankaj Kumar Bansal
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 | Profit after taxation | Proposed Dividend | % of Holding | Country |
|--------|--|--------------------|---------------|-------------------|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|--------------|---------|
| 1 | IPL SUGARS AND BIO FUELS LTD | INR | - | 2022-23 | 100.00 | -2,085.64 | 2,477.24 | 2,477.24 | - | - | -362.40 | - | -362.40 | - | 100% | INDIA |

ANNEXURE - I
**ANNUAL REPORT ON CSR ACTIVITIES INCLUDED IN THE BOARD'S REPORT
FOR THE FINANCIAL YEAR 2022 – 23**

**Format for the Annual Report on CSR Activities to be Included in the
Board's Report For Financial Year Commencing on or After 1st Day of April, 2020**

1. Brief outline on CSR Policy of the Company:
 - a) Promoting preventive health care, sanitation, public toilets, education and measures for reducing inequalities faced by socially and economically backward groups.
 - b) Promoting proposal for conservation of natural resources and maintaining the quality of soil, air and water.
 - c) Promoting proposals of Rural Development Projects such as setting up primary health care centres, Schools, community toilets, drinking water supply, lighting, etc.
 - d) To generate, through this CSR activities a positive and socially responsible image of IPL as a corporate entity.
2. Composition of CSR Committee :

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------------|--------------------------------------|--|--|
| 1 | Shri. Pankaj Kumar Bansal | Chairman | 1 | 1 |
| 2 | Shri. Arvind Kumar Kadayan | Member | 1 | 1 |
| 3 | Ms. Vandana Chanana | Member | 1 | 1 |

Note : Shri. Sundeep Kumar Nayak was the chairman of the CSR Committee of the Board up to 5th September 2022.

3. * Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are 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 on : <https://www.indianpotash.org>
4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
Impact assessments will be conducted as per applicability.
5.
 - a. Average net profit of the company as per sub-section (5) of section 135. - Rs. 6,69,65,00,000/-
 - b. Two percent of average net profit of the company as per sub-section (5) of section 135. - Rs.13,39,30,000/-
 - c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. – NIL.
 - d. Amount required to be set-off for the financial year, if any. – Rs.67,52,633/-
 - e. Total CSR obligation for the financial year [(b)+(c)-(d)]. – Rs.12,71,77,367/-
6.
 - a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). – Rs. 3,78,29,059/-
 - b. Amount spent in Administrative Overheads. NIL

- c. Amount spent on Impact Assessment, if applicable. NIL
d. Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs.3,78,29,059/-
e. CSR amount spent or unspent for the Financial Year :

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 3,78,29,059 | 10,46,75,000 | 27-04-2023 | NIL | | |

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

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 13,39,30,000/- |
| (ii) | Total amount spent for the Financial Year [Total amount spent / unspent] | 14,25,04,059/- |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 85,74,059/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | NIL |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 85,74,059/- |

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

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|--------|-----------------------------|---|---|--|--|------------------|--|--------------------|
| S. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs) | Date of Transfer | | |
| 1 | FY-1 2020-21 | - | - | 2,41,56,604 | 8,00,00,000 | 23.09.2021 | - | - |
| 2 | FY-2 2021-22 | 6,62,58,393 [1,50,00,000 + 5,12,58,393] | 1,68,40,116 | 3,44,18,277 | - | - | 1,68,40,116 | - |
| 3 | FY-3 2022-23 | 10,46,75,000 | | 3,78,29,059 | - | - | 10,46,75,000 | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

Yes

No

If Yes, enter the number of Capital assets created/ acquired

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

| Sl. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset (s) | Date of cre-ation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|-----|---|--------------------------------------|-------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

Dr. P.S Gahlaut
 Managing Director
 DIN: 00049401

Pankaj Kumar Bansal
 Chairman - CSR Committee
 DIN: 05197128

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 : 31.03.2023

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, 2023 (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 Maternity Benefit Act, 1961;
- ix. The Sexual Harassment of Women at Workplace (PD & R) Act, 2013;
- x. Employees Compensation Act 1923 and rules thereunder;
- xi. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder;
- xii. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder;
- xiii. Environment Protection Act 1986 and rules made thereunder;
- xiv. 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: -

The Secretarial Standards 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.

- We further report that the Board of Directors of the Company is duly constituted comprising of Executive Directors/Nominee Directors and Independent Directors including a Woman Director during the period under review.

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

- The composition of the Board of Directors was 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 provisions of the Act and rules made thereunder.
- We have not examined compliance by the Company with the applicable financial laws like direct and indirect tax laws, since the same have been subject to review by Statutory Auditors and other designated professionals.
- Adequate notices were given to all Directors for the Board Meetings, including Committees thereof, along with Agenda and detailed notes on Agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

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

We further report that during the audit period 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.

For Rengarajan & Associates

Company Secretaries
Firm Registration No. S2015TN847100

A. Rengarajan

Proprietor

FCS:6725, CP: 13437

Peer Review Certificate No. 3494/2023

DATE : 20th June 2023

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 no. dated 20th June 2023 for the Financial Year 2022-23 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 with relevant laws, rules and regulations and happening of events etc.
5. The compliance with 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.

IPL

For Rengarajan & Associates
Company Secretaries
Firm Registration No. S2015TN847100

A. Rengarajan
Proprietor
FCS: 6725, CP: 13437
Peer Review Certificate No. 3494/2023

DATE : 20th June 2023

PLACE : Chennai

Annexure 3

| Name of Employee | Designation of Employee | Remuneration received Rs. | Nature of Employment | Qualification & Experience of Employee | Date of Commencement of Employment | Age | Last Employment held |
|------------------|-------------------------|---------------------------|----------------------|--|------------------------------------|----------|-----------------------------------|
| Dr. P.S. Gahlaut | Managing Director | 1,49,47,596/- | Managing Director | Hons in B.Sc(Cheistry) Post Graduate Diploma in Marketing Management, FMS, University Delhi Phd in Business Management from Inter American University, Florida 50 Years | 1 st May, 1985 | 75 Years | M/s.Bharat Alums & Chemicals Ltd. |

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

1. 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.
2. In our Dairy Plant we have installed Booster Pump in Milk Separator resulted into saving of Electricity as well as water consumption.
3. 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.
4. In Dairy Unit we have also installed most energy efficient foil winding transformers in which the transformation losses are minimal.
5. 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.
6. 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.

B) Conservation of Energy

1. Introduction of level witches in VAM Condensate tank resulted into saving of Electrical energy and water. We have installed VFD's on all major processing machines which ensures saving in power consumption. The power factor is also maintained at 0.9921 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. The Rain Water Harvesting Pits have been developed within the Plant Premises, which has reduced the load on ETP.
3. A direct line to feed Skimmed Milk into the Drier Section has been established, which has reduced the processing cost.
4. 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.
5. 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.
6. We have enhanced the capacity of the Membrane of our RO System in Dairy Plant,

which has resulted in more reuse of the waste water discharged from the RO System.

C) Utilization of alternative source of Energy

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

D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings : Rs. 1,35,630.52 Lakhs

Outgo : Rs. 41,37,317.80 Lakhs

Date : 20th June 2023

On behalf of the Board

Pankaj Kumar Bansal
Chairman



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDIAN POTASH LIMITED****Report on the Audit of the Standalone Financial Statements****Qualified Opinion**

We have audited the accompanying standalone financial statements of Indian Potash Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

There is an ongoing investigation conducted by the Central Bureau of Investigation (the "CBI") against the Managing Director, one of the Directors of the Company, and their relatives who were mentioned in the CBI First Information Report (the "FIR") wherein the CBI alleging that the Company had imported fertilizers at inflated prices, claimed higher subsidies from Government of India and made payment of commission by overseas supplier 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 on account of ongoing investigation by the CBI, and the Honourable 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 hence, any 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. (Refer Note 24(e) to the standalone financial statements).

This matter was also qualified in the report of the predecessor auditors on the standalone financial statements for the year ended March 31, 2022.

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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the

Annual Report and Director's Report including Annexures to Director's 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 the Management, Board of Directors and Those Charged with Governance for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial

statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another auditor. Apart from the modification reported by the predecessor auditor in their report dated June 13, 2022 with respect to the matter discussed in the basis for qualified opinion paragraph above, they have also qualified the below matter:

The Company's composition of the Board of directors, various committees of Board and

consequential matters thereof, and obtaining post-facto approval instead of prior approval of the related party transactions by the Audit Committee, which were not in accordance with Sections 177(2), 178(1) and 135(1), 177(4) respectively of the Act and Rules made there under for the period upto September 6, 2021 as referred to in the note No 25(f) of the previous year Financial Statement. The consequential impact of this matter on the standalone financial statements is currently not ascertainable.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and except, for the possible effect of the matter described in the Basis for Qualified Opinion 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) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) Except, for the matter described in the Basis for Qualified Opinion paragraph above, in our

opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) The matter described in 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 24 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 29(g) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 29(g) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 30(iii) to the Standalone financial statements).
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner
Membership No. 029409
UDIN : 23029409BGTMVX5260

Place : Chennai
Date : 20th June 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN POTASH LIMITED

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Membership No. 029409
UDIN: 23029409BGMTMVX5260

Place : Chennai
Date : 20th June 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN POTASH LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of its Property, Plant and Equipment by which property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties as disclosed in notes 29(k) on Property, plant and equipment to the standalone financial statements and where the Company is a Lessee (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) that have been taken on lease and disclosed in the financial statements as right of use assets as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for as provided below:

| Sr. No. | Description of Property | Gross carrying value (Rs. Lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held – Indicate range, where appropriate | Reason for not being held in name of Company (also indicate if in dispute) |
|---------|--|----------------------------------|---|--|---|---|
| 1 | Industrial factory Building located at Kundli, Sonipat (Haryana) | 88.98 | Goldline Milkfood and Allied Industries Limited | No | From September 30, 2020 till date. | Pursuant to the merger of Goldline Milkfood and Allied Industries Limited (including step-down subsidiary Sri Krishan Fertilizers Limited) with the company, the title deeds of these immovable properties are still held in the name of Erstwhile entities and are yet to be registered in the name of the Company |
| 2 | Freehold Land of 1 Acre located at Kundli, Sonipet (Haryana) | 92.14 | Goldline Milkfood and Allied Industries Limited | No | From September 30, 2020 till date | |
| 3 | Industrial Factory Building located at Muzzafarpur, Bhiar | 546.88 | Sri Krishna Fertilizers Limited | No | From September 30, 2020 till date. | |

| Sr. No. | Description of Property | Gross carrying value (Rs. Lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held – Indicate range, where appropriate | Reason for not being held in name of Company (also indicate if in dispute) |
|---------|--|----------------------------------|--|--|---|--|
| 4 | Leasehold land measuring 266 acres located in Motipur, Bihar | 5,620.00 | Members of Motipur Sugar Factory/Bihar Sugar State Corporation Limited | No | From FY 2011-12 till date. | Pursuant to the merger of Sri Krishan Fertilizers Limited with The Company, the lease agreements are in the name of the erstwhile entity and yet to be executed in favour of the company |
| 5 | Leasehold land located at Muzzafarpur, Bihar | 1.83 | Sri Krishna Fertilisers Limited | No | From September 2020 till date | |

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has been sanctioned working capital limits in excess of Rs. 500 Lakhs in aggregate from Banks on the basis of security of current assets. In our opinion and according to the information and explanation provided to us, Quarterly returns / statements filed with such Banks are not in agreement with the books of account. Details of difference is provided below

| Quarter Ended | Amount as per books of accounts Rs. in lakhs | Amount as per quarterly return/ statement Rs. in lakhs | Difference Rs. in lakhs |
|----------------------------------|--|--|-------------------------|
| Quarter Ended June 30, 2022 | 11,18,552 | 11,44,156 | (25,604) |
| Quarter Ended September 30, 2022 | 14,74,140 | 15,29,394 | (55,254) |
| Quarter Ended December 31, 2022 | 12,30,795 | 12,24,632 | 6,163 |
| Quarter Ended March 31, 2023 | 9,46,721 | 9,56,061 | (9,340) |

Also refer to Note 29(b) to the standalone financial statements.

iii.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments or provided any guarantee or security, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted interest bearing unsecured loan to Company and interest free unsecured loans to other parties (employees) in respect of which the requisite information is as below.

(A) The details of such loans to subsidiary Company is as follows:

| Particulars | Loans (Rs. In Lakhs) |
|--|----------------------|
| Aggregate amount granted/provided during the year | |
| - Subsidiaries | 14.53 |
| Balance Outstanding as at balance sheet date in respect of above cases | |
| - Subsidiaries | 14.53 |

Also refer notes 4(a), 4(e), 4(f) and 25 to the standalone financial statements

AND

(B) The details of such loans or advances in the nature of loans to parties other than Subsidiaries, Joint ventures and Associates are as follows :

| Particulars | Advances in the nature of loans (Rs. In Lakhs) |
|--|--|
| Aggregate amount granted/provided during the year | 1.28 |
| - Others | |
| Balance Outstanding as at balance sheet date in respect of above cases | 1.28 |
| - Others | |

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are unable to comment on the regularity of repayment of principal and payment of interest in the absence of stipulation of repayment terms in respect of the loans granted to the Company's subsidiary amounting to Rs.14.53 Lakhs as at March 31, 2023. In the case of interest free unsecured loans given to other parties (employees), in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the absence of stipulation of repayment terms on the loan granted to the Company's subsidiary, we are unable to comment on the overdue for more than ninety days

- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans without specifying any terms or period of repayment. The details of the same are as follows :

| Particulars | Related Parties (Rs. in Lakhs) |
|---|-----------------------------------|
| Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A) | Nil |
| - Agreement does not specify any terms or period of repayment (B) | 14.53 |
| Total (A+B) | 14.53 |
| Percentage of loans/ advances in nature of loans to the total loans | 100% |

- 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 by it. The Company has not provided any guarantees or security to the parties covered under Sections 185 and 186.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we 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, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows :

| Name of the statute | Nature of dues | Amount Demanded* Rs. In Lakhs | Amount Paid under protest Rs. In Lakhs | Period to which the amount relates | Forum where dispute is pending |
|-----------------------------------|-----------------------|----------------------------------|---|------------------------------------|--|
| Customs Act, 1962 | Customs Duty | 9,294.48* | - | 2001-06 | CESTAT, Bengaluru |
| Customs Act, 1962 | Customs Duty | 14,065.42* | - | 2001-06 | CESTAT, Ahmedabad |
| Customs Act, 1962 | Income Tax | 27.80 | 2.09 | 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 |
| Income Tax Act, 1961 | Income Tax | 544.70 | - | 2017-18 | Commissioner (Appeals), New Delhi |
| Central Excise Act, 1944 | Cenvat Credit | 1.02 | - | 2008-09, 2011-12, 2014-15 | Commissioner (Appeals), Meerut |
| Central Excise Act, 1944 | Cenvat Credit | 2.26 | - | 2011-12 | CESTAT, Allahabad |
| Central Excise Act, 1944 | Excise Duty | 1.99 | - | 2010-11, 2013-14 | 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), Meerut |
| 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) | 17.48 | 9.98 | 2008-09 | Additional Commissioner (Appeals), Meerut |
| Uttar Pradesh Trade Tax Act, 1948 | Trade Tax (Entry Tax) | 34.69 | 3.47 | 2005-06 | Deputy Commissioner, Commercial Tax, Muzaffarnagar |

| Name of the statute | Nature of dues | Amount Demanded* Rs. In Lakhs | Amount Paid under protest Rs. In Lakhs | Period to which the amount relates | Forum where dispute is pending |
|--|------------------------------|----------------------------------|---|---|--|
| 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 | 12,731.75* | | 2005-06, 2006-06, 2007-08, 2008-09, 2009-10 and 2011-12 | Honourable Supreme Court of India |
| Maharashtra Value Added Tax Act, 2002 | Value Added Tax | 20.40 | 1.00 | 20-11-12 | Deputy Commissioner of Sales Tax, Mumbai |
| Maharashtra Value Added Tax Act, 2002 | Value Added Tax | 1.60 | 0.16 | 2013-14 | Joint Commissioner of Sales Tax, Tripura |
| Orissa Value Added Tax Act, 2004 | Value Added Tax | 27.57 | 18.38 | 2013-14, 2015-16, 2016-17 | Honourable High Court of Orissa |
| Tripura Value Added Tax Act, 2004 | Value Added Tax | 16.28 | - | 2015-16, 2016-17, 2017-18 | Assistant Commissioner of Sales Tax, Tripura |
| Uttar Pradesh Trade Tax Act, 2008 | Values Added Tax | 106.55 | - | 2010-11 | Additional Commissioner (Appeals), Uttar Pradesh |
| Central Sales Tax Act, 1956 | Central Sales Tax | 2.49 | 0.91 | 2008-09 | Hon'ble Member, Comm. Tax Tribunal, Bench-II, Meerut |
| Uttar Pradesh Trade Tax Act, 1948 | Trade Tax (Entry Tax) | 1.50 | 0.45 | 2008-09 | Hon'ble Member, Comm. Tax Tribunal, Bench-II, Meerut |
| 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) | 18,277.26* | - | 2017-2019 | Joint Commissioner of CGST (Appeals), Ahmedabad. |
| Central Goods and Services Tax Act, 2017 | Goods and Services Tax (GST) | 4,509.43* | - | 2018-2021 | Honourable High Court of Karnataka |

| Name of the statute | Nature of dues | Amount Demanded* Rs. In Lakhs | Amount Paid under protest Rs. In Lakhs | Period to which the amount relates | Forum where dispute is pending |
|--|-----------------------|----------------------------------|---|-------------------------------------|------------------------------------|
| The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 | Provident Fund | 19.16 | - | 1991 | Honourable High Court of Allahabad |
| CGST Act 2017 | GST | 0.28 | 0.28 | 2017-18 | Dy. Commissioner of State Tax |
| Central Excise Act, 1944 | Excise duty | 1.21 | 1.21 | 2013-2014 | Commissioner Appeals, Meerut |
| Finance Act, 1994 | Service tax | 1.11 | 1.11 | 2015-16 to 2017-18 (upto June-2017) | CGST Appeal Meerut |
| Uttar Pradesh Trade Tax Act, 1948 | Trade Tax (Entry Tax) | 0.53 | 0.53 | 2002 - 2003 | Trade Tax Tribunal, Meerut |

* Including Interest payable

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
 - According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
 - According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associate company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate company. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) Based on 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, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit, except for the matter referred to in Note 24(e) to the standalone financial statements and under the Basis for Qualified Opinion paragraph in the main audit report regarding the ongoing investigation initiated by CBI on which we are unable to comment, pending outcome of the investigation.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, except for the matter referred to in Note 24(e) to the standalone financial statements and under the Basis for Qualified Opinion paragraph in the main audit report regarding the ongoing investigation initiated by CBI on which we are unable to comment, pending outcome of the investigation. As the same has not been identified by us, reporting the same under the provisions of Section 143(12) and filing of Form ADT-4 is not applicable and accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
 - (b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
 - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
 - (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) In The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) of the Order are not applicable to the Company.

- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance Section 135(6) of the said Act. This matter has been disclosed in note 19(b) to the standalone financial statements.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner
Membership No. 029409
UDIN : 23029409BGTMVX5260

Place : Chennai
Date : 20th June 2023



ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN POTASH LIMITED.

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Indian Potash Limited on the Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Qualified Opinion

We have audited the internal financial controls with reference to standalone financial statements of Indian Potash Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements as of March 31, 2023, based on the internal control over financial reporting criteria with reference to standalone financial statements 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) (the "Guidance Note"), and except for the effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023 .

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of the Company, and these material weaknesses have 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.

Basis for Qualified Opinion

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 standalone financial statements as at March 31, 2023:

a) The Company's internal financial controls over period end financial review process and compliance with laws and regulations, were not operating effectively which could result in a potential adjustment to the standalone financial statements, including measurement of provisions, contingencies and commitments. (Refer Basis for Qualified Opinion section of the main audit report).

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting with reference to standalone financial statements, 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.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN : 23029409BGMTMVX5260

Place : Chennai
Date : 20th June 2023

**Standalone balance sheet as at 31 March 2023**

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|--|----------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2(a) | 1,22,039.34 | 88,094.28 |
| Capital work-in-progress | 2(b) | 2,372.78 | 15,730.44 |
| Right-of-use assets | 2(c) | 11,259.98 | 10,520.41 |
| Intangible assets | 3 | 85.62 | 112.97 |
| Financial assets | | | |
| i. Investments | 4(a)(i) | 1,05,883.24 | 1,24,618.67 |
| ii. Loans | 4(e) | 2,362.95 | 2,497.99 |
| iii. Other financial assets | 4(f) | 2,019.27 | 247.83 |
| Deferred tax assets (net) | 5 | 14,470.14 | 14,866.57 |
| Other non-current assets | 6 | 3,601.93 | 18.10 |
| Total non-current assets | | 2,64,095.25 | 2,56,707.26 |
| Current assets | | | |
| Inventories | 7 | 4,01,285.40 | 6,06,700.59 |
| Financial assets | | | |
| i. Investments | 4(a)(ii) | 6,908.68 | 3,17,476.06 |
| ii. Trade receivables | 4(b) | 5,45,436.04 | 1,90,020.33 |
| iii. Cash and cash equivalents | 4(c) | 1,21,326.81 | 4,92,720.73 |
| iv. Bank balances other than cash and cash equivalents | 4(d) | 18,740.03 | 18,295.43 |
| v. Loans | 4(e) | 1.63 | 0.35 |
| vi. Other financial assets | 4(f) | 13,325.62 | 5,781.36 |
| Other current assets | 6 | 1,71,482.00 | 88,174.22 |
| Total current assets | | 12,78,506.21 | 17,19,169.07 |
| Total Assets | | 15,42,601.46 | 19,75,876.33 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8(a) | 2,859.72 | 2,859.72 |
| Other equity | 8(b) | 5,38,708.63 | 4,63,901.71 |
| Total equity | | 5,41,568.35 | 4,66,761.43 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 9(a)(i) | 12,461.19 | 4,784.26 |
| ii. Lease liabilities | 2(c) | 1,479.56 | 1,884.21 |
| iii. Other financial liabilities | 9(c) | 7,088.77 | 4,911.29 |
| Provisions | 10 | 140.14 | - |
| Total non-current liabilities | | 21,169.66 | 11,579.76 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 9(a)(ii) | 3,83,916.38 | 5,49,089.38 |
| ii. Lease liabilities | 2(c) | 549.89 | 629.47 |
| iii. Trade payables | 9(b) | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 3.41 | 0.64 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,36,123.35 | 8,62,488.11 |
| iv. Other financial liabilities | 9(c) | 29,426.84 | 44,782.59 |
| Other current liabilities | 12 | 9,305.73 | 18,186.33 |
| Provisions | 10 | 8,725.93 | 7,812.35 |
| Current tax liabilities (net) | 11 | 11,811.92 | 14,546.27 |
| Total current liabilities | | 9,79,863.45 | 14,97,535.14 |
| Total liabilities | | 10,01,033.11 | 15,09,114.90 |
| TOTAL EQUITY AND LIABILITIES | | 15,42,601.46 | 19,75,876.33 |

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Geetha Jeyakumar
Partner
Membership No.: 029400

Place : Chennai
Date : 20 June 2023

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

U.S. Awasthi
Director
DIN: 00026019

Girish Kumar
Company Secretary
Place: New Delhi
Date : 20 June 2023

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 2023**

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 13 | 33,32,303.87 | 18,50,353.31 |
| Other income | 14 | 68,771.56 | 21,194.79 |
| Total income | | 34,01,075.43 | 18,71,548.10 |
| Expenses | | | |
| Cost of materials consumed | 15 | 1,51,051.15 | 1,17,218.42 |
| Purchases of stock-in-trade | | 26,23,405.25 | 17,86,463.07 |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods | 16 | 2,05,224.14 | (3,41,847.66) |
| Employee benefit expense | 17 | 11,394.15 | 9,746.48 |
| Depreciation and amortisation expense | 18 | 4,769.05 | 4,638.80 |
| Other expenses | 19 | 2,33,356.29 | 2,01,328.73 |
| Finance costs | 20 | 69,578.18 | 11,814.94 |
| Total expenses | | 32,98,778.21 | 17,89,362.78 |
| Profit before tax | | 1,02,297.22 | 82,185.32 |
| Income tax expense | | | |
| Current tax | 21 | 26,546.24 | 23,055.00 |
| Deferred tax | 5 | 600.24 | (2,375.81) |
| Total tax expense | | 27,146.48 | 20,679.19 |
| Profit for the year | | 75,150.74 | 61,506.13 |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss : | | | |
| Debt instruments through other comprehensive income | 8(b) | (527.27) | (313.27) |
| Income tax relating to items that may be reclassified to profit or loss | 5 | 9.73 | 111.45 |
| | | (517.54) | (201.82) |
| Items that will not be reclassified to profit or loss: | | | |
| Gain/ losses on equity instruments at fair value through other comprehensive income (FVTOCI) | 8(b) | (486.55) | (490.53) |
| Remeasurements of post-employment benefit obligations | 8(b) | (108.31) | 157.32 |
| Income tax relating to items that will not be reclassified to profit or loss | 5 | 194.09 | 71.85 |
| | | (400.77) | (261.36) |
| Total other comprehensive income / (loss), net of tax | | (918.31) | (463.18) |
| Total comprehensive income for the year, net of tax | | 74,232.43 | 61,042.95 |
| Earnings per equity share of Rs. 10 each | 22 | | |
| Basic (in Rs.) | | 262.79 | 215.08 |
| Diluted (in Rs.) | | 262.79 | 215.08 |

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Geetha Jeyakumar
Partner
Membership No.: 029409

Place : Chennai
Date : 20 June 2023

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

U.S. Awasthi
Director
DIN: 00026019

Girish Kumar
Company Secretary

Place: New Delhi
Date : 20 June 2023

P.S. Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer

**Standalone statement of changes in equity for the year ended 31 March 2023**

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

a. Equity share capital

| Particulars | Note | |
|--|------|-----------------|
| Balance as at 1 April 2021 | | 2,859.72 |
| Changes in equity share capital during 2021-22 | 8(a) | - |
| Balance as at 31 March 2022 | | 2,859.72 |
| Changes in equity share capital during 2022-23 | 8(a) | - |
| Balance as at 31 March 2023 | | 2,859.72 |

b. Other equity

| Particulars | Reserves & Surplus | | | | Other Comprehensive Income (OCI) | | Total equity attributable to equity holders of the Company |
|--|--------------------|------------------|--------------------|--|--|--|--|
| | 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 2021 | 7,523.74 | 41,557.02 | 3,48,202.45 | 143.30 | 5,638.72 | 937.42 | 4,04,002.65 |
| Profit for the year | - | - | 61,506.13 | - | - | - | 61,506.13 |
| Other comprehensive income (net of tax) | - | - | 117.72 | - | (201.82) | (379.08) | (463.18) |
| Total comprehensive income/(loss) for the year | - | - | 61,623.85 | - | (201.82) | (379.08) | 61,042.95 |
| Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b)) | - | - | (16.34) | 16.34 | - | - | - |
| Final dividend | - | - | (1,143.89) | - | - | - | (1,143.89) |
| Closing balance as at 31 March 2022 | 7,523.74 | 41,557.02 | 4,08,666.07 | 159.64 | 5,436.90 | 558.34 | 4,63,901.71 |
| Opening balance as at 1 April 2022 | 7,523.74 | 41,557.02 | 4,08,666.07 | 159.64 | 5,436.90 | 558.34 | 4,63,901.71 |
| Profit for the year | - | - | 75,150.74 | - | - | - | 75,150.74 |
| Other comprehensive losses (net of tax) | - | - | (81.05) | - | (544.80) | (292.46) | (918.31) |
| Total comprehensive Income / (loss) for the year | - | - | 75,069.69 | - | (544.80) | (292.46) | 74,232.43 |
| Acquisition of Dhenkanal unit (Refer Note 31) | 2,290.32 | - | - | - | - | - | 2,290.32 |
| Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b)) | - | - | (13.34) | 13.34 | - | - | - |
| Final dividend | - | - | (1,715.83) | - | - | - | (1,715.83) |
| Closing balance as at 31 March 2023 | 9,814.06 | 41,557.02 | 4,82,006.59 | 172.98 | 4,892.10 | 265.88 | 5,38,708.63 |

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

P.S.Gahlaut
Managing Director
DIN: 00049401

Geetha Jeyakumar
Partner
Membership No.: 029409

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : Chennai
Date : 20 June 2023

Girish Kumar
Company Secretary

R. Srinivasan
Chief Financial Officer

Place: New Delhi
Date : 20 June 2023

Standalone statement of cash flows for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 1,02,297.22 | 82,185.32 |
| Adjustments for | | |
| Depreciation and amortisation expense | 4,769.05 | 4,638.80 |
| Finance costs | 69,578.18 | 11,814.94 |
| Unrealised difference on translation of assets and liabilities | 209.72 | (221.71) |
| Provision for doubtful trade and other receivables, loans and advances | (6,001.15) | (4,482.97) |
| Dividend from associate company | (49,490.17) | (4,658.20) |
| Interest Income on financial assets | (7,509.94) | (7,561.06) |
| Provision for GST receivable | - | 15,000 |
| Provision / liabilities no longer required, written back | 1,053.72 | - |
| Net fair value gains on financial assets measured at fair value through profit or loss | - | (186.68) |
| Profit on sale of investment, net | (10,305.80) | (5,978.73) |
| Loss / (Profit) on sale of PPE, net | 375.24 | (220.61) |
| Operating profit before working capital changes | 1,04,976.07 | 90,329.10 |
| Change in operating assets and liabilities | | |
| (Increase) / Decrease in trade receivables | (3,48,918.57) | 1,20,707.66 |
| (Increase) / Decrease in loans | (1.28) | 0.37 |
| (Increase) / Decrease in other financial assets | (9,315.70) | 452.78 |
| Increase in other current assets | (86,891.61) | (60,963.24) |
| Decrease / (Increase) in inventories | 2,05,415.19 | (3,43,490.82) |
| (Decrease) / Increase in trade payables | (3,26,561.72) | 6,22,064.34 |
| (Decrease) / Increase in other financial liabilities | (11,423.47) | 11,926.59 |
| Decrease in other current liabilities | (15,727.31) | (2,800.40) |
| Decrease in employee benefit obligations | (108.31) | (229.85) |
| Cash generated from/ (used in) operations | (4,88,556.71) | 4,37,996.53 |
| Less: Income taxes paid | (23,030.80) | (18,055.80) |
| Net cash inflow/ (outflow) from operating activities | (5,11,587.51) | 4,19,940.73 |
| Cash flow from investing activities : | | |
| Payments for property, plant and equipment, intangible assets and capital work in progress | (24,372.33) | (9,197.00) |
| Sale proceeds of property, plant and equipment | 218.75 | 229.06 |
| Purchase of non current investments | (4.50) | (29,676.84) |
| Proceeds from sale of current investments | 3,38,599.28 | 28,89,547.48 |
| Purchase of current investments | - | (31,62,968.75) |
| Bank deposits made (net) | (444.60) | (11,409.71) |
| Dividend received from associate company | 49,490.17 | 4,658.20 |
| Interest received on financial assets | 7,509.94 | 5,773.81 |
| Loans to wholly owned subsidiary | 135.04 | (13.46) |
| Net cash (used in)/ from investing activities | 3,71,131.75 | (3,13,057.21) |

**Standalone statement of cash flows for the year ended 31 March 2023**

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--------------------------------|--------------------------------|
| Cash flow from financing activities | | |
| Proceeds from long term borrowings | 7,676.93 | (11,344.75) |
| (Repayment) of / Proceeds from short term borrowings and cane bills payable to banks | (1,66,927.80) | 2,94,718.32 |
| Principal portion of lease payments | (484.21) | (615.33) |
| Dividend Paid on shares | (1,715.83) | (1,124.28) |
| Finance costs paid | (69,578.18) | (11,490.60) |
| Net cash (used in)/ from financing activities | (2,31,029.09) | 2,70,143.36 |
| Net increase/(decrease) in cash and cash equivalents | (3,71,484.85) | 3,77,026.88 |
| Cash and cash equivalents at the beginning of the financial year | 4,92,720.73 | 1,15,624.84 |
| Effects of exchange rate changes on cash and cash equivalents | 90.93 | 69.01 |
| Cash and cash equivalents at the end of the year | 1,21,326.81 | 4,92,720.73 |
| Reconciliation of cash and cash equivalents as per statement of cash flows: | As at 31 March 2023 | As at 31 March 2022 |
| Cash and cash equivalents (refer note 4c) | 1,21,326.81 | 4,92,720.73 |
| Balance as per statement of cash flows | 1,21,326.81 | 4,92,720.73 |

The accompanying notes are an integral part of these standalone financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

P.S.Gahlaut
Managing Director
DIN: 00049401

Geetha Jeyakumar
Partner
Membership No.: 029409

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : Chennai
Date : 20 June 2023

Girish Kumar
Company Secretary

R. Srinivasan
Chief Financial Officer

Place: New Delhi
Date : 20 June 2023

Notes to the standalone financial statements as at and for the year ended 31 March 2023**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, **Distillery Products, Bio – CNG** 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 standalone 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 116, 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 2023

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.

1.3. Use of estimates and judgements

In preparing these Standalone 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 Standalone financial statements.

- a. NRV - Expenses related to purchases like freight subsidy is adjusted for calculating the NRV
- b. 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 (including Sale of goods, principal vs agent considerations and Government Grant) | 1.4 |
| 3. | Provision for doubtful receivables | 1.14 |
| 4. | Physical verification of inventories | 1.11 |
| 5. | Provision for employee benefits | 1.21 |

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, except for certain arrangements, because it typically controls the goods before transferring them to the customer.

For certain arrangements, the Company acts either as a principal or an agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks, on a case to case basis. If the Company is a principal, gross revenue is recognised and if the Company is an agent, net revenue / commission / trade margin is recognised.

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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 applies 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.

Notes to the standalone financial statements as at and for the year ended 31 March 2023**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
- (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.

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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

Business combinations are accounted for using the acquisition method, 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 Company; 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 Company 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

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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.

Common control business combinations

The Company accounts for business combinations involving entities or businesses under common control using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately.

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 2023

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. 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 or 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 2023

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

Notes to the standalone financial statements as at and for the year ended 31 March 2023

dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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**(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.

1.15. 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.

Notes to the standalone financial statements as at and for the year ended 31 March 2023**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.

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 Standalone 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.

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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).

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.

Notes to the standalone financial statements as at and for the year ended 31 March 2023

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary 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.

1.21. 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 Executive Gratuity Fund Trust ('the Trust') and to "Indian Potash Non-executive Gratuity Fund Trust ('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

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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 Staff Provident Fund 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.

1.21.3.4. Social Security Code 2020:

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the Standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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 has been identified as the chief operating decision maker. Refer note 26 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

Notes to the standalone financial statements as at and for the year ended 31 March 2023

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 Standalone 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**a) Changes in accounting policies and disclosures****New and amended standards**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

(i) Amendments to Ind AS 1: Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone financial statements.

(ii) Amendments to Ind AS 8: Accounting Policy, Changes in accounting estimates and errors

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

(iii) Amendments to Ind AS 12: Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and there is no impact on its Standalone financial statement.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2(a). Property, plant and equipment

| Particulars | Land - Freehold | Buildings | Plant and equipment | Furnitures and Fixtures | Vehicles | Office equipment and computers | AV Van and Equipment | Total |
|--|------------------|------------------|---------------------|-------------------------|---------------|--------------------------------|----------------------|--------------------|
| Year Ended 31 March 2022: | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| As at 1 April 2021 | 41,176.63 | 20,005.43 | 40,731.93 | 496.16 | 210.19 | 5,408.04 | 96.05 | 1,08,124.43 |
| Additions during the year | 629.67 | 87.05 | 3,544.62 | 204.64 | 45.95 | 230.54 | 0.65 | 4,743.12 |
| Disposals | - | (2.40) | (0.89) | (10.18) | (9.41) | (35.16) | (15.47) | (73.51) |
| Transfers | - | - | - | - | - | - | - | - |
| As at 31 March 2022 | 41,806.30 | 20,090.08 | 44,275.66 | 690.62 | 246.73 | 5,603.42 | 81.23 | 1,12,794.04 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at 1 April 2021 | - | 3,390.30 | 13,575.18 | 319.28 | 91.63 | 3,526.30 | 40.73 | 20,943.42 |
| Depreciation charge during the year | - | 671.93 | 2,221.35 | 45.34 | 23.17 | 847.67 | 11.94 | 3,821.40 |
| Disposals | - | (1.66) | (0.84) | (6.95) | (8.47) | (32.44) | (14.70) | (65.06) |
| As at 31 March 2022 | - | 4,060.57 | 15,795.69 | 357.67 | 106.33 | 4,341.53 | 37.97 | 24,699.76 |
| NET CARRYING AMOUNT | | | | | | | | |
| As at 31 March 2022 | 41,806.30 | 16,029.51 | 28,479.97 | 332.95 | 140.40 | 1,261.89 | 43.26 | 88,094.28 |
| GROSS CARRYING AMOUNT | | | | | | | | |
| As at 1 April 2022 | 41,806.30 | 20,090.08 | 44,275.66 | 690.62 | 246.73 | 5,603.42 | 81.23 | 1,12,794.04 |
| Additions during the year | 1,075.28 | 5,690.20 | 13,917.53 | 561.85 | 23.99 | 971.11 | 19.32 | 22,259.28 |
| Acquisition of Dhenkanal unit (Refer Note (b) & Note 31) | 7,771.27 | 2,583.00 | 5,962.98 | 1.14 | - | 100.75 | - | 16,419.14 |
| Disposals | (29.76) | (15.55) | (949.26) | (11.02) | (10.33) | (46.80) | (12.82) | (1,075.54) |
| Transfers | - | - | - | - | - | - | - | - |
| As at 31 March 2023 | 50,623.09 | 28,347.73 | 63,206.91 | 1,242.59 | 260.39 | 6,628.48 | 87.73 | 1,50,396.92 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at 1 April 2022 | - | 4,060.57 | 15,795.69 | 357.67 | 106.33 | 4,341.53 | 37.97 | 24,699.76 |
| Depreciation charge during the year | - | 827.04 | 2,857.70 | 65.91 | 24.99 | 353.33 | 10.35 | 4,139.32 |
| Disposals | - | (5.91) | (402.99) | (7.98) | (9.25) | (43.22) | (12.19) | (481.54) |
| As at 31 March 2023 | - | 4,881.70 | 18,250.40 | 415.60 | 122.07 | 4,651.64 | 36.13 | 28,357.54 |
| NET CARRYING AMOUNT | | | | | | | | |
| As at 31 March 2023 | 50,623.09 | 23,466.03 | 44,956.51 | 826.99 | 138.32 | 1,976.84 | 51.60 | 1,22,039.34 |

Note:

- Refer Note 29 for additional disclosure.
- Freehold Land of Rs.7771.27 Lakhs (including registration and other charge of Rs. 1176.27 Lakhs) measuring 116.84 acres located at Dhenkanal district, Odisha represent land acquired from Sakthi Sugars Limited during 2022-23 pursuant to a business transfer agreement and the title deeds are transferred in the name of company through the conveyance deed executed on November 11, 2022. Refer Note 31
- 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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2(b) Capital work-in-progress

| Description | As at 1 April 2022 | Expenditure incurred during the year | Capitalised during the year | Written off | Closing as at 31 March 2023 |
|--------------------------|--------------------|--------------------------------------|-----------------------------|-------------|-----------------------------|
| Capital work-in-progress | 15,730.44 | 8,907.97 | (22,259.28) | (6.35) | 2,372.78 |

| Particulars | As at 1 April 2021 | Expenditure incurred during the year | Capitalised during the year | Written off | Closing as at 31 March 2022 |
|--------------------------|--------------------|--------------------------------------|-----------------------------|-------------|-----------------------------|
| Capital work-in-progress | 9,289.55 | 11,184.01 | (4,743.12) | - | 15,730.44 |

A. Ageing of Capital work-in-progress

| Particulars | Amounts in capital work-in-progress for | | | | |
|-------------------------------------|---|-----------------|---------------|-------------------|------------------|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| As at 31 March 2023: | | | | | |
| (i) Projects in progress | 2,219.11 | 153.67 | - | - | 2,372.78 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 2,219.11 | 153.67 | - | - | 2,372.78 |
| As at 31 March 2022: | | | | | |
| (i) Projects in progress | 7,115.52 | 7,701.12 | 913.80 | - | 15,730.44 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 7,115.52 | 7,701.12 | 913.80 | - | 15,730.44 |

B. There are no projects under capital work-in-progress has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

There are no projects under capital work-in-progress that whose completion is overdue or temporarily suspended as of 31 March 2023.

Details of projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to original plan as of 31 March 2022 are given below.

| Particulars | To be completed in | | | | |
|--------------------------------------|--------------------|-------------|-------------|-------------------|------------------|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| As at 31 March 2022: | | | | | |
| (i) Projects in progress | | | | | |
| - Ahmedabad Office Buildings project | 2,004.28 | - | - | - | 2,004.28 |
| - Distillery Project | 9,652.14 | - | - | - | 9,652.14 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 11,656.42 | - | - | - | 11,656.42 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2 (c) Right-of-use assets

| Particulars | Land | Buildings | Plant and Machinery | Total |
|--------------------------------------|-----------------|-----------------|---------------------|------------------|
| Balance as at 01 April 1,2021 | 8,259.15 | 435.18 | 328.41 | 9,022.74 |
| Additions during the year | - | 2,275.93 | - | 2,275.93 |
| Amortisation for the year | (196.28) | (475.47) | (106.51) | (778.26) |
| Disposals during the year | - | - | - | - |
| Balance as at 31 March, 2022 | 8,062.87 | 2,235.64 | 221.90 | 10,520.41 |
| Additions during the year | 1,336.82 | - | - | 1,336.82 |
| Amortisation for the year | (17.52) | (473.21) | (106.52) | (597.25) |
| Disposals during the year | - | - | - | - |
| Balance as at 31 March, 2023 | 9,382.17 | 1,762.43 | 115.38 | 11,259.98 |

(ii) Movement of Lease Liability

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Opening Balance | 2,513.68 | 853.04 |
| Lease Liabilities addition during the year | - | 2,275.93 |
| Lease Liabilities deletion during the year | - | - |
| Interest | 166.80 | 73.40 |
| Repayment of Lease Liability | (651.03) | (688.69) |
| Closing Balance | 2,029.45 | 2,513.68 |
| Expense relating to short-term leases and leases of low-value assets (included in other expenses - Refer Note 19) | 3,031.06 | 3,551.16 |

(i) Variable lease payments

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

(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.4,557.84 (31 March 2022: Rs.4,596.05) pertaining to the amount paid for leasehold land measuring 266 acres located at Motipur, Bihar. 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. In the meanwhile, the Company had filed an arbitration petition before High Court of Patna against BSSCL for recovery of the Company's losses as a result of the aforesaid proceedings. High Court of Patna appointed a sole arbitrator, who passed an order granting an award of INR 3,826.73 lakhs in favour of the Company. The Company has filed an execution petition before High Court of Patna to give effect to the award and the matter is still pending with the High Court. The lease agreement is yet to be registered in the name of the Company.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

3. Intangible assets

| Particulars | Computer software | Total |
|------------------------------------|-------------------|-----------------|
| Year ended 31 March 2022 : | | |
| GROSS CARRYING AMOUNT | | |
| As at 1 April 2021 | 1,105.14 | 1,105.14 |
| Additions | 20.50 | 20.50 |
| Disposals | - | - |
| Balance as at 31 March 2022 | 1,125.64 | 1,125.64 |
| ACCUMULATED AMORTISATION | | |
| As at 1 April 2021 | 973.53 | 973.53 |
| Amortisation charge for the year | 39.14 | 39.14 |
| Balance as at 31 March 2022 | 1,012.67 | 1,012.67 |
| NET CARRYING AMOUNT | | |
| As at 31 March 2022 | 112.97 | 112.97 |
| Year ended 31 March 2023 : | | |
| GROSS CARRYING AMOUNT | | |
| As at 1 April 2022 | 1,125.64 | 1,125.64 |
| Additions | 5.13 | 5.13 |
| Disposals | - | - |
| Balance as at 31 March 2023 | 1,130.77 | 1,130.77 |
| ACCUMULATED AMORTISATION | | |
| As at 1 April 2022 | 1,012.67 | 1,012.67 |
| Amortisation charge for the year | 32.48 | 32.48 |
| Balance as at 31 March 2023 | 1,045.15 | 1,045.15 |
| NET CARRYING AMOUNT | | |
| As at 31 March 2023 | 85.62 | 85.62 |

Refer Note 29 for additional Disclosures

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4. Financial assets
4(a) Investments
4(a)(i) Non-current investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Investments measured at FVTOCI | | |
| Investments in equity instruments (fully paid-up) | | |
| Quoted | | |
| 58,440 (31 March 2022: 58,440) equity shares of BSE Limited | 251.85 | 551.67 |
| | 251.85 | 551.67 |
| Unquoted | | |
| 26,675,000 (31 March 2022: 26,675,000) equity shares of Indian Commodity Exchange Limited | 1,867.25 | 2,053.98 |
| 100,000 (31 March 2022: 100,000) equity shares of Wisekey India Private Limited | 95.00 | 95.00 |
| | 1,962.25 | 2,148.98 |
| Investments in Debt Instruments | | |
| Quoted | | |
| 75,500 (31 March 2022: 75,500) units of IRFC Tax Free Bonds - 2030 - 7.28% | 868.73 | 1,321.92 |
| 285,698 (31 March 2022: 285,698) units of NHAI Tax Free Bonds - 2031 - 7.35% | 3,356.95 | 3,405.52 |
| 140,139 (31 March 2022: 140,139) units of HUDCO Tax Free Bonds- 2031 - 7.39% | 1,608.78 | 1,737.72 |
| | 5,834.46 | 6,465.16 |
| Investments carried at Amortised Cost | | |
| Investments in government securities | | |
| Unquoted | | |
| 104 (31 March 2022 :59) units of National Savings Certificate - VIII Issue (Face value: Rs.10,000) | 10.40 | 5.90 |
| 51 (31 March 2022:51) units of National Savings Certificate - VIII Issue (Face value: Rs.5,000) | 2.55 | 2.55 |
| 15 (31 march 2022 : 15) units of National Savings Certificate - VIII Issue (Face value: Rs.1,000) | 0.15 | 0.15 |
| 2 (31 March 2022: 2) units of National Savings Certificate - VIII Issue (Face value: Rs.500) | 0.01 | 0.01 |
| Nil (31 March 2022: 200) units of National Savings Certificate - VIII Issue (Face value: Rs.1000) | - | 2.00 |
| | 13.11 | 10.61 |



Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Investments in Debt Instruments | | |
| Quoted | | |
| 500 (31 March 2022 :500) units of BOB Perpetual Bond - 8.50% | 5,000.00 | 5,000.00 |
| 560 (31 March 2022 :560) units of BOB Perpetual Bond - 8.70% | 5,682.14 | 5,682.14 |
| 250 (31 March 2022 :250) units of BOB Perpetual Bond - 8.25% | 2,516.31 | 2,516.31 |
| Nil(31 march 2022 :25) units of Union Bank of India Perpetual Bond - 8.64% | - | 2,500.00 |
| 500 (31 March 2022 :500) units of BOB Perpetual Bond - 8.15% | 5,000.00 | 5,000.00 |
| Nil (31 March 2022 :150) HDFC Perpetual Bond-8.85% | - | 1,541.35 |
| 550 (31 March 2022 :550) Canara Bank Perpetual Bond - 8.5% | 5,533.55 | 5,533.55 |
| Nil (31 March 2022 :250) SBI Perpetual Bond- 8.15% | - | 2,554.92 |
| 80 (31 March 2022 :100) SBI Perpetual Bond - 7.72% | 8,018.40 | 10,023.00 |
| 10 (31 March 2022:100)SBI Perpetual Bond - 7.55% | 1,002.20 | 10,022.00 |
| | 32,752.60 | 50,373.27 |
| Investments measured at cost | | |
| Investments in equity instruments (fully paid-up) of subsidiary companies | | |
| Unquoted | | |
| 1,000,000 (31 March 2022: 1,000,000) equity shares of IPL Sugars and Bio Fuels Ltd | 100.00 | 100.00 |
| | 100.00 | 100.00 |
| Investment in equity instruments (fully paid-up) of an associate company | | |
| Quoted (in Amman stock exchange) | | |
| 22,588,500 (31 March 2022: 22,588,500) equity shares of Jordan Phosphate Mines Company | 64,968.97 | 64,968.97 |
| | 64,968.97 | 64,968.97 |
| Total non-current investments | 1,05,883.24 | 1,24,618.67 |
| Aggregate amount of quoted investments (including quoted investments in Amman stock exchange) | 1,03,807.88 | 1,22,359.08 |
| Aggregate market value of quoted investments (including quoted investments in Amman stock exchange) | 11,16,776.92 | 7,44,149.86 |
| Aggregate amount of unquoted investments | 2,075.36 | 2,259.59 |
| Aggregate amount of impairment in the value of investments | - | - |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Name of entity | Place of business/ Country of incorporation | % of ownership interest | As at 31 March 2023 | | As at 31 March 2022 | |
|--------------------------------|--|-------------------------|------------------------------------|-----------------|-----------------------------------|-----------------|
| | | | Fair value/ Recoverable value # | Carrying amount | Fair value/ Recoverable value* | Carrying amount |
| Jordan Phosphate Mines Company | Jordan | 27.38% | 10,77,938.01 | 64,968.97 | 6,86,562.42 | 64,968.97 |

* # Basis the quoted value in Amman stock exchange.

4(a) (ii) Current investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Investments measured at FVTPL | | |
| Unquoted | | |
| Investments in mutual funds | - | 2,79,586.68 |
| | - | 2,79,586.68 |
| Investments measured at FVTOCI | | |
| Investments in Debt Instruments | | |
| Quoted | | |
| Nil (31 March 2022: 37,240,000) units of Special Fertiliser Bonds - 2022 - 7.00% (quoted in Clearing Corporation of India Limited) | - | 37,889.33 |
| 250 (31 March 2022: Nil) Units of Mahindra & Mahindra Financial Services Ltd Zero Coupon Bond - 2023 | 6,908.68 | - |
| Nil (31 March 2022: 50) units of Special Fertiliser Bonds- 2023 - 6.65% (quoted in Clearing Corporation of India Limited) | - | 0.05 |
| | 6,908.68 | 37,889.38 |
| Total current investments | 6,908.68 | 3,17,476.06 |
| Aggregate amount of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 6,908.68 | 37,889.38 |
| Aggregate market value of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 6,908.68 | 37,889.38 |
| Aggregate amount of unquoted investments | - | 2,79,586.68 |
| Aggregate amount of impairment in the value of investments | - | - |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(b) Trade Receivables(Unsecured, Considered good unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|--------------------------------|--------------------------------|
| Trade receivables (including subsidy receivables Rs.421,044.80 (March 31, 2022: Rs.119,088.58) Less: Allowance for credit loss (including provision on subsidy receivables Rs.3,621.04 (March 31, 2022: Rs.4,232.34) | 5,73,663.92 | 2,19,094.37 |
| | (28,227.88) | (29,074.04) |
| Total receivables | 5,45,436.04 | 1,90,020.33 |
| Non-current | - | - |
| Current | 5,45,436.04 | 1,90,020.33 |
| Breakup of Security Details | | |
| Trade receivables considered good - Unsecured | 5,72,066.46 | 2,17,496.91 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | 1,597.46 | 1,597.46 |
| | 5,73,663.92 | 2,19,094.37 |
| Allowance for credit loss | (28,227.88) | (29,074.04) |
| Net trade receivables | 5,45,436.04 | 1,90,020.33 |
| | As at 31 March 2023 | As at 31 March 2022 |
| The movement in allowances for credit loss is as follows: | | |
| Opening balance | 29,074.03 | 33,875.62 |
| Reversal | (846.16) | (4,801.59) |
| Closing Balance | 28,227.88 | 29,074.03 |

Notes:

- The Company's trade receivables do not carry a significant financing element. In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables. For this purpose, the Company uses a simplified approach to compute the expected credit loss amount for trade receivables. This approach takes into account external and internal credit risk factors and historical data of credit losses from various customers adjusted for forward looking estimates.
- There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables other than subsidy receivable are non-interest bearing and are generally on terms of 15 to 30 days.
- Refer note 9 (a)(ii) for information on trade receivables pledged as security by the Company.
- Refer Note 25 for Related Party Disclosure

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(b) Trade Receivables (Unsecured, Considered good unless otherwise stated) (Continued)

| Particulars | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|--------------------|---------------------|--|-----------------|------------------|-----------------|-------------------|--------------------|
| | | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2023 | | | | | | | | |
| Undisputed trade receivables | | | | | | | | |
| – considered good | 2,33,081.30 | 69,367.01 | 1,96,049.95 | 9,994.81 | 34,308.23 | 2,791.35 | 16,666.22 | 5,62,258.88 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | 1,597.46 | 1,597.46 |
| Disputed trade receivables | | | | | | | | |
| – considered good | - | - | - | - | - | - | 9,807.58 | 9,807.58 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Total | 2,33,081.30 | 69,367.01 | 1,96,049.95 | 9,994.81 | 34,308.23 | 2,791.35 | 28,071.26 | 5,73,663.92 |
| Less: Allowance for Credit Loss | | | | | | | | (28,227.88) |
| | | | | | | | | 5,45,436.04 |

| Particulars | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|--------------------|---------------------|--|-----------------|-----------------|-----------------|-------------------|--------------------|
| | | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022 | | | | | | | | |
| Undisputed trade receivables | | | | | | | | |
| – considered good | 1,22,593.10 | 42,087.82 | 20,637.73 | 1,699.69 | 4,641.53 | 6,708.17 | 16,123.97 | 2,14,492.01 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | 1,597.46 | 1,597.46 |
| Disputed trade receivables | | | | | | | | |
| – considered good | - | - | - | - | - | - | 3,004.90 | 3,004.90 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Total | 1,22,593.10 | 42,087.82 | 20,637.73 | 1,699.69 | 4,641.53 | 6,708.17 | 20,726.33 | 2,19,094.37 |
| Less: Allowance for Credit Loss | | | | | | | | (29,074.04) |
| | | | | | | | | 1,90,020.33 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(c) Cash and Cash Equivalents

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Bank balances in current accounts* | 97,734.66 | 29,779.68 |
| Bank balances in EEFC accounts | 3,569.01 | 2,178.75 |
| Bank deposits with original maturity of less than three months | 19,999.99 | 4,60,731.74 |
| Cash on hand | 23.15 | 30.56 |
| Total | 1,21,326.81 | 4,92,720.73 |

Note:

*Bank balances in current accounts includes Rs. 160.78 lakhs (31 March 2022: Nil) held in a separate bank account for unspent ongoing CSR Projects.

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Bank balances in dividend accounts(Refer Note 9c) | 100.00 | 67.93 |
| Bank deposits with original maturity of more than 3 months and less than 12 months | 18,467.05 | 17,964.91 |
| Molasses storage fund deposit account # | 172.98 | 262.59 |
| | 18,740.03 | 18,295.43 |
| # Also, refer Note 8 (b) | | |
| Deposits earmarked against Molasses Storage Facility Reserve Fund | 172.98 | 262.59 |
| Deposits under lien with Pollution Control Boards | 27.73 | 27.73 |
| Other lien marked deposits | 580.11 | 577.69 |

4(e) Loans

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | Current | Non-current | Current | Non-current |
| Unsecured and considered good | | | | |
| Loans to wholly owned subsidiaries (net of provisions Rs.1,963.02 [March 31 2022 : Rs.1,618.62]) * | - | 2,362.95 | - | 2,497.99 |
| Loans to employees | 1.63 | - | 0.35 | - |
| | 1.63 | 2,362.95 | 0.35 | 2,497.99 |

* Refer Note 25 for Related Party Disclosure

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(e) Loans (Continued)
Breakup of security details

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Loans considered good - secured | | |
| Loans considered good - Unsecured | 4,327.60 | 4,116.96 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| | 4,327.60 | 4,116.96 |
| Allowance for credit loss | (1,963.02) | (1,618.62) |
| Net loans | 2,364.58 | 2,498.34 |

The following loans were provided without specifying any terms or period of repayment:

| Type of Borrower | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------------------|---|--|---|--|
| | Amount of loan or advance in the nature of loan outstanding | % of total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | % of total loans and advances in the nature of loans |
| Loan to Related parties (subsidiary) | 4,325.97 | 99.96% | 4,116.61 | 99.99% |

**4(f) Other financial assets
(Unsecured, Considered good, unless otherwise stated)**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|-----------------|---------------------|---------------|
| | Current | Non-current | Current | Non-current |
| Security deposits | 559.09 | 888.99 | 405.47 | 204.62 |
| Bank deposits with original maturity of more than twelve months | - | 1,130.28 | 814.37 | 43.21 |
| Advances to employees | 125.86 | - | 32.19 | - |
| Interest accrued on deposits | 810.84 | - | 448.71 | - |
| Interest accrued on bonds and Government securities | 1,251.90 | - | 2,591.77 | - |
| Claims receivable* | 10,577.93 | - | 1,488.85 | - |
| | 13,325.62 | 2,019.27 | 5,781.36 | 247.83 |

* Claim receivable includes amount receivable from Amber fertilizer limited which supplies urea to IPL. During the year the Company has filed an Arbitration claim against Amber Fertilizer Limited. Company had entered into a contract with Amber for purchase of urea and subsequently supplier failed to Supply urea. Rs. 8,449 Lakhs has been accounted as claims receivable and an amount of Rs. 1,927 Lakhs is recorded as payable to Amber which was due to invocation of Bank guarantee.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

5. Deferred tax assets

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Deferred tax assets : | | |
| Provision for compensated absences | 212.07 | 107.37 |
| Provision for doubtful assets | 19,805.44 | 19,050.32 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 170.80 | 959.07 |
| Others (including lease liabilities net of ROU) | 76.91 | 14.08 |
| Total of Deferred tax assets | 20,265.22 | 20,130.84 |
| Deferred tax liabilities: | | |
| On difference between book balance and tax balance of PPE | 4,204.60 | 3,497.22 |
| On reserve for debt and equity instruments through OCI | 1,590.48 | 1,767.05 |
| Total of Deferred Tax Liabilities | 5,795.08 | 5,264.27 |
| Deferred tax assets (net) | 14,470.14 | 14,866.57 |

| Movement in deferred tax assets / (liabilities) | Opening balance | Credited / (Charged) in profit or loss | Credited in Other Comprehensive Income | Closing balance |
|--|--------------------|--|---|--------------------|
| For the year 2022-23 : | | | | |
| Deferred tax (liabilities) / asset in relation to: | | | | |
| Provision for compensated absences | 107.37 | 104.70 | - | 212.07 |
| Provision for doubtful assets | 19,050.32 | 755.12 | - | 19,805.44 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 959.07 | (815.53) | 27.26 | 170.80 |
| Lease liabilities (net of ROU) | 14.07 | 62.84 | - | 76.91 |
| Property, plant and equipment | (3,497.22) | (707.38) | - | (4,204.60) |
| Debt and equity instruments through OCI | (1,767.04) | - | 176.56 | (1,590.48) |
| | 14,866.57 | (600.24) | 203.82 | 14,470.14 |
| For the year 2021-22 | | | | |
| Deferred tax (liabilities) / asset in relation to: | | | | |
| Provision for compensated absences | 173.99 | (66.62) | - | 107.37 |
| Provision for doubtful assets | 16,287.42 | 2,762.90 | - | 19,050.32 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 989.90 | 8.77 | (39.60) | 959.07 |
| Lease liabilities (net of ROU) | 22.90 | (8.83) | - | 14.07 |
| Property, plant and equipment | (3,176.80) | (320.42) | - | (3,497.22) |
| Debt and equity instruments through OCI | (1,989.94) | - | 222.90 | (1,767.04) |
| | 12,307.47 | 2,375.81 | 183.30 | 14,866.57 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

**6. Other assets
(Unsecured, Considered good, unless otherwise stated)**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|-----------------|---------------------|--------------|
| | Current | Non-current | Current | Non-current |
| Capital advances | - | 3,601.93 | - | 18.10 |
| Advance to suppliers | 24,238.06 | - | 13,487.99 | - |
| Balances with statutory authorities | | | | |
| - Goods and services Tax (Net of Provision Rs.- 4500 Lakh, [March31,2022 : Rs 4,500 Lakhs]) | 1,45,728.86 | - | 73,993.13 | - |
| - Others | 1,111.82 | - | 378.56 | - |
| Prepaid expenses | 403.26 | - | 314.54 | - |
| Total | 1,71,482.00 | 3,601.93 | 88,174.22 | 18.10 |

7. Inventories *

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Raw materials | 2,069.53 | 1,643.07 |
| Packing Materials | 1,433.15 | 2,466.38 |
| Work-in-progress | 3,469.76 | 3,072.35 |
| Finished goods (other than those acquired for trading) | 83,554.50 | 83,462.03 |
| Stock-in-trade (acquired for trading) # | 3,09,256.66 | 5,14,970.68 |
| Stores and spares | 1,501.80 | 1,086.08 |
| | 4,01,285.40 | 6,06,700.59 |
| # Includes Goods in transit | 90,425.43 | 85,955.13 |

A possible reasonable change in the estimates is not expected to have a significant impact on the amounts recognised as the same would be recovered from the agent who is managing the inventory. The cost of inventories recognised as an expense in 'Purchases of stock-in-trade' and 'Changes in inventories of work-in-progress, stock-in-trade and finished goods' includes Rs. 9,201.24 (31 March 2022:Rs 64,131.23) in respect of write down of inventories to net realisable value.

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

*Raw Material, Packing Material, Work-in-progress, stores and spares are valued at cost, and Stock-in-trade (acquired for trading) & Finished goods (other than those acquired for trading) are valued at cost or NRV whichever is lower

8(a). Equity share capital

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Equity share capital | | |
| Authorised | | |
| 6,12,00,000 (31 March 2022: 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 (31 March 2022: 2,85,97,200) equity shares of Rs 10/- each, fully paid up | 2,859.72 | 2,859.72 |
| | 2,859.72 | 2,859.72 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8 (a). Equity share capital (Continued)
(i) Movement in equity share capital

| Particulars | 31 March 2023 | | 31 March 2022 | |
|------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | 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

The Company has one class of equity shares having a face value of ₹10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. 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 | 31 March 2023 | | 31 March 2022 | |
|---|---------------|--------------------|---------------|--------------------|
| | 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 |

(iv) The Company has no promoters based on the annual return filed with Registrar of Companies. Consequently, this disclosure relating to details of shareholding of promoters is not applicable.

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :

During the Financial year 2018-19, Pursuant to the decision taken by the Board of Directors of the Company at their meeting held on 28 May 2018 and approval accorded by the shareholders at the Annual General Meeting held on 16 August 2018 for allotment of bonus shares 1,42,98,600 Nos in the ratio 1:1 (i.e. one fully paid up share of Rs.10 each for each fully paid up share of Rs.10 held) to the members of the Company whose names appear in the Register of Members on 11 September 2018.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Other Equity

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Capital reserve | 9,814.06 | 7,523.74 |
| General reserve | 41,557.02 | 41,557.02 |
| Retained earnings | 4,82,006.59 | 4,08,666.07 |
| Molasses Storage Facility Reserve Fund | 172.98 | 159.64 |
| Reserve for debt instruments fair value through OCI | 4,892.10 | 5,436.90 |
| Reserve for equity instruments fair value through OCI | 265.88 | 558.34 |
| | 5,38,708.63 | 4,63,901.71 |

| | | |
|---|------------------|------------------|
| (i) Capital reserve | | |
| Opening balance | 7,523.74 | 7,523.74 |
| Movements on acquisition of Dhenkanal Unit(Refer Note 31) | 2,290.32 | - |
| Closing balance | 9,814.06 | 7,523.74 |
| Represents reserve created on account of business combination and merger which is not available for distribution as dividend. | | |
| (ii) General reserve | | |
| Opening balance | 41,557.02 | 41,557.02 |
| Movements | - | - |
| 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 | 4,08,666.07 | 3,48,202.45 |
| Profit attributable to owners of the Company | 75,150.74 | 61,506.13 |
| Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax | (81.05) | 117.72 |
| Final dividend | (1,715.83) | (1,143.89) |
| Others - Transferred to Molasses Storage Facility Reserve Fund | (13.34) | (16.34) |
| Closing balance | 4,82,006.59 | 4,08,666.07 |

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

(iv) Molasses Storage Facility Reserve Fund

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|------------------------|------------------------|
| Opening Balance | 159.64 | 143.3 |
| Transferred from Retained Earnings | 13.34 | 16.34 |
| Closing Balance | 172.98 | 159.64 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Other Equity (Continued)

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.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| (v) Reserve for debt instruments through OCI | | |
| Opening balance | 5,436.90 | 5,638.72 |
| Changes in fair value of debt instruments | (554.53) | (313.27) |
| Deferred tax on the above | 9.73 | 111.45 |
| Closing balance | 4,892.10 | 5,436.90 |
| (vi) Reserve for equity instruments through OCI | | |
| Opening balance | 558.34 | 937.42 |
| Changes in fair value of equity instruments | (486.55) | (490.53) |
| Tax on the above | 194.09 | 111.45 |
| Closing balance | 265.88 | 558.34 |

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.

9. Financial liabilities
9(a) Borrowings
9(a)(i) Non-current borrowings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Secured, at amortised cost | | |
| From a bank | | |
| Term Loan | 17,101.76 | 6,910.60 |
| Total non-current borrowings | 17,101.76 | 6,910.60 |
| Less: Current maturities of long-term debt [included in Current borrowings] | (4,640.57) | (2,126.34) |
| Total non-current borrowings | 12,461.19 | 4,784.26 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

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 | December 2027 |
| Terms of Repayment | 19 quaterly installments |
| Installment amount | INR 526.31 |
| Rate of Interest | 8.35% per annum |
| Security | Mortgage on exclusive basis over land (around 148.14 acres) and building located at Village Haripur and Village Korian, of District Dhenkanal, Odisha in the name of the company. |

Term loan from Axis Bank *

| | |
|--------------------|---|
| Maturity date | September 2027 |
| Terms of Repayment | 17 quaterly installments |
| installment amount | INR 136.32 |
| Rate of Interest | 8.10% per annum |
| Security | Exclusive charge on the Fixed asset (movable / immovable) of the Greenfield Distillery project at Jaring, Nandol, District Kalahandi, Odisha. |

Term loan from HDFC Bank *

| | |
|--------------------|---|
| Maturity date | June 2025 |
| Terms of Repayment | 16 quaterly installments |
| Installment amount | INR 250 |
| Rate of Interest | 8.20% per annum |
| Security | Exclusive charge on the Fixed assets of the Ethanol Plant / Bio gas plant |

| | |
|--------------------|--|
| Maturity date | June 2025 |
| Terms of Repayment | 16 quaterly installments |
| Installment amount | INR 253.50 |
| Rate of Interest | 8.70% per annum |
| Security | Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant |

| | |
|--------------------|--|
| Maturity date | June 2025 |
| Terms of Repayment | 16 quaterly installments |
| Installment amount | INR 28.08 |
| Rate of Interest | 8.75 % per annum |
| Security | Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant |

* Also refer note 2(a).

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(a) Borrowings (continued)
9(a)(ii) Current borrowings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Unsecured, at amortised cost | | |
| From banks | | |
| Buyers' credit | - | 2,50,635.16 |
| Other working capital loans | - | 49,999.91 |
| Secured, at amortised cost | | |
| From bank | | |
| Buyers' credit | 3,79,275.81 | 2,46,327.95 |
| Other working capital loans | - | - |
| Current maturities of long term debt | 4,640.57 | 2,126.34 |
| Current borrowings | 3,83,916.38 | 5,49,089.36 |

Note: Borrowings are subsequently measured at amortised cost and therefore interest accrued on current borrowings are included in the respective amounts.

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 days of availment. The facilities availed carry interest rates based upon SOFR plus agreed basis points with the bankers.
- (b) Other unsecured working capital loans comprise of :
 - (i) Short-term working capital loans from IDBI Bank aggregating to Rs. NIL (31 March 2022: Rs 50,000) carrying interest rate at 4.34% p.a. was repaid during the year.
- (c) Unsecured buyers' credit availed from bank carrying interest rates based upon SOFR plus agreed basis points with the bankers was paid during the year and the amount outstanding as of 31st March, 2023 was Rs Nil (31 March 2022 : 2,50,635.16)

Net Debt Reconciliation

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Cash and cash equivalents | 1,21,326.81 | 4,92,720.73 |
| Bank balances other than cash and cash equivalents | 18,740.03 | 18,295.43 |
| Current Borrowings | (3,79,275.81) | (5,46,963.02) |
| Non-current borrowings including current maturities | (17,101.76) | (6,910.60) |
| Net Debt | (2,56,310.73) | (42,857.46) |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(a) Borrowings (continued)
9(a)(ii) Current borrowings

| Particulars | Other assets | Liabilities from financing activities | | Total |
|--------------------------------------|------------------------------|---------------------------------------|----------------------|----------------------|
| | Cash and other bank balances | Non-current borrowings | Current borrowings | |
| Net Debt as at April 1, 2021 | 1,22,490.95 | (18,365.42) | (2,59,316.85) | (1,55,191.32) |
| Cash Flows | 3,88,525.21 | 11,344.75 | (2,87,860.18) | 1,12,009.78 |
| Foreign Exchange adjustments | - | - | (3,611.63) | (3,611.63) |
| Interest expense | - | (477.72) | (6,673.76) | (7,151.48) |
| Interest paid | - | 587.79 | 10,499.40 | 11,087.19 |
| Net Debt as at March 31, 2022 | 5,11,016.16 | (6,910.60) | (5,46,963.02) | (42,857.46) |
| Cash Flows | (3,70,949.32) | (10,082.23) | 2,14,630.02 | (1,66,401.53) |
| Foreign Exchange adjustments | - | - | (43,606.90) | (43,606.90) |
| Interest expense | - | (538.08) | (64,592.37) | (65,130.45) |
| Interest paid | - | 429.15 | 61,256.46 | 61,685.61 |
| Net Debt as at March 31, 2023 | 1,40,066.84 | (17,101.76) | (3,79,275.81) | (2,56,310.73) |

9(b) Trade payables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Trade payables | | |
| - total outstanding dues of micro and small enterprises# | 3.41 | 0.64 |
| - total outstanding dues of creditors other than micro and small enterprises * | 5,36,123.35 | 8,62,488.11 |
| | 5,36,126.76 | 8,62,488.75 |

* Of the above trade payables, the Company has issued letter of credits aggregating to Rs. 4,27,891.99 (31 March 2022: Rs. 7,69,822.39)

Determined based on the information available with the company

Refer Note 25 for Related Party Disclosure

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(b) Trade payables (Continued)

| Particulars | Unbilled | Outstanding for following periods from the due date | | | | | Total |
|-----------------------------|------------------|---|-------------------|------------------|------------------|-------------------|--------------------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2023 | | | | | | | |
| Undisputed trade payables | | | | | | | |
| Micro and small enterprises | - | 3.41 | - | - | - | - | 3.41 |
| Others | | 4,03,667.01 | 2,058.12 | 77,685.56 | 11,327.26 | 41,385.40 | 5,36,123.35 |
| Disputed trade payables | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | - | 4,03,670.42 | 2,058.12 | 77,685.56 | 11,327.26 | 41,385.40 | 5,36,126.76 |
| As at 31 March 2022 | | | | | | | |
| Undisputed trade payables | | | | | | | |
| Micro and small enterprises | - | 0.64 | - | - | - | - | 0.64 |
| Others | 35,482.83 | 8,13,659.48 | 1,392.06 | 6,943.82 | 1,361.12 | 3,648.80 | 8,62,488.11 |
| Disputed trade payables | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | 35,482.83 | 8,13,660.12 | 1,392.06 | 6,943.82 | 1,361.12 | 3,648.80 | 8,62,488.75 |

9(c) Other financial liabilities

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Current | Non-current | Current | Non-current |
| Cane bills payable to banks* | 17,604.07 | - | 19,358.87 | - |
| Interest accrued but not due | 4,001.04 | - | 575.02 | - |
| Unpaid dividends | 100.00 | - | 67.93 | - |
| Payables on purchase of PPE | 1,201.61 | - | 2,357.77 | - |
| Customer discounts | 2,150.14 | - | 13,774.46 | - |
| Employee benefits payable | 1,464.33 | - | 1,441.60 | - |
| Trade / security deposits received | 2,905.65 | 7,088.77 | 7,206.96 | 4,911.29 |
| | 29,426.84 | 7,088.77 | 44,782.61 | 4,911.29 |

*Represents amounts payable to the bank for payments made by the bank to farmers for cane supplied to the Company.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|---------------|---------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Provisions for Employee Benefits | | | | |
| - Gratuity | 678.65 | - | 91.96 | - |
| - Compensated absences & Medical Leave | 702.49 | 140.14 | 426.61 | - |
| - Provident fund | 51.01 | - | - | - |
| Provisions for indirect tax litigations | 7,293.78 | - | 7,293.78 | - |
| | 8,725.93 | 140.14 | 7,812.35 | - |

Movements in provisions are set out below :

| Particulars | Provisions on Tax litigations |
|--|-------------------------------|
| Balance as at 1 April 2021 | 7,293.78 |
| Charged / (credited to profit or loss) | - |
| Balance as at 31 March 2022 | 7,293.78 |
| Charged / (credited to profit or loss) | - |
| Balance as at 31 March 2023 | 7,293.78 |

A. Provisions for Gratuity

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: | Gratuity (Funded) | |
|---|-------------------|-----------------|
| | 31 March 2023 | 31 March 2022 |
| Interest cost | 254.08 | 229.28 |
| Current service cost | 214.16 | 216.78 |
| Expected return on plan assets | (248.87) | (225.38) |
| Total expense recognised in the Statement of Profit and Loss | 219.37 | 220.68 |
| Remeasurements: | | |
| Actuarial losses/ (gains) | | |
| - Demographic assumption changes in DBO | - | (1.21) |
| - Financial assumption changes in DBO | (118.66) | (133.05) |
| - Experience changes on DBO | 305.99 | (59.41) |
| Rate on Plan assets less than discount rate | (28.01) | 36.35 |
| Total expense recognised in the Other Comprehensive Income | 159.32 | (157.32) |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)

| Disclosure of Post employment benefits: | Gratuity (Funded) | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Net defined benefit liability recognised in the balance sheet: | | |
| Present value of Defined benefit obligation (DBO) | 4,561.23 | 3,690.24 |
| Fair value of plan assets at the end of the year | 3,882.57 | 3,598.28 |
| Net defined benefit liability recognised in the balance sheet | (678.66) | (91.96) |
| Changes in the Defined Benefit Obligation (DBO) during the year: | | |
| Present value of DBO at the beginning of year | 3,690.24 | 3,650.86 |
| Interest cost | 254.08 | 229.28 |
| Current service cost | 214.16 | 216.78 |
| Actuarial (gains) / losses | 187.34 | (193.67) |
| Liabilities Transferred In /Acquisitions | 576.42 | - |
| Employees contribution | - | - |
| Benefits paid | (343.94) | (213.01) |
| Liabilities assumed / (settled) | (17.07) | - |
| Present value of DBO at the end of year | 4,561.23 | 3,690.24 |
| Changes in the fair value of assets during the year: | | |
| Plan assets at beginning of year | 3,598.28 | 3,572.26 |
| Expected return on plan assets | 248.87 | 225.38 |
| Remeasurements due to actual return on plan assets less interest on plan assets | - | - |
| Actual company contributions | 351.34 | 50.00 |
| Employee contributions | - | - |
| Benefits paid | (343.93) | (213.01) |
| Assets acquired / (settled) | - | - |
| Actuarial gain / (loss) | 28.01 | (36.35) |
| Plan assets as at end of year | 3,882.57 | 3,598.28 |
| Current portion | 678.66 | 91.96 |
| Non-current portion | - | - |
| | 678.66 | 91.96 |
| Actuarial assumptions: | | |
| Discount Rate | 7.46% | 6.96% |
| Expected rate of salary Increase | 5.00% | 5.00% |
| Attrition Rate | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)

| Experience adjustments | 2022-23 | 2021-22 |
|--|----------------|----------------|
| Present value of DBO | 4,561.23 | 3,690.24 |
| Fair value of plan assets | 3,882.57 | 3,598.28 |
| Funded status [Surplus / (Deficit)] | (678.66) | (91.96) |
| Experience gain / (loss) adjustments on plan liabilities | 187.33 | (192.46) |
| Experience gain / (loss) adjustments on plan assets | - | - |

Provisions for Employee Benefits
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-23 | 31-Mar-22 | | 31-Mar-23 | 31-Mar-22 |
| 31-Mar-23 | 31-Mar-22 | | | | | | | |
| Discount rate | 1% | 1% | Decrease by | (218.80) | (192.43) | Increase by | 244.13 | 215.93 |
| Salary growth | 1% | 1% | Increase by | 228.28 | 198.28 | Decrease by | (210.33) | (181.21) |

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 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 2024 are INR 595.62 Lakhs

The weighted average duration of the defined benefit obligation ranging upto 9 years (31 March 2022: 8.45 to 10.17 years) for executive and non-executive employees respectively. The expected maturity analysis of gratuity is as follows :

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Less than 1 year | 801.09 | 456.24 |
| Between 1 -2 years | 451.84 | 469.46 |
| Between 2-5 years | 1,076.52 | 830.32 |
| Over 5 years | 2,521.00 | 1,888.83 |
| Total | 4,850.45 | 3,644.85 |
| Major category of plan assets | As at | As at |
| Asset classification | 31 March 2023 | 31 March 2022 |
| Insurance Fund | 3,882.57 | 3,598.28 |

B. Note on Provident Fund

With respect to employees, who are covered under Provident Fund Trust administered by the Company, the Company shall make good deficiency, if any in the interest rate declared by Trust over statutory limit. Having regards to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. 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 is as set out below :

| Fund and Plan Asset position as follows : | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Present Value of Benefit obligation at the end of the year | 7,701.53 | 7,039.16 |
| Fair value of Plan assets at the end of the year | 7,650.52 | 7,165.15 |
| (Surplus)/Defecit available | 51.01 | (125.99) |
| Liability recognised in Balance Sheet | 51.01 | - |

The Plan assets are primarily invested in government Securities, corporate bonds & Special deposit scheme.

Assumptions for present value of interest rate guarantee are as follows :

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------|------------------------|------------------------|
| Discount rate | 7.46% | 6.96% |
| Expected guarantee rate(%) | 8.15% | 8.10% |
| Attritration rate | 5% | 5% |

C. Compensated absences & Medical Leave (Unfunded)

The defined benefit obligations which are provided for but not funded are as under

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------|------------------------|------------------------|
| Compensated absences | | |
| -Non-Current | 140.14 | - |
| - Current | 702.49 | 426.61 |
| | 842.63 | 426.61 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)
Actuarial assumptions:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-------------------|--|--|
| Discount Rate | 7.46% | 6.96% |
| Salary Escalation | 5% | 5% |
| Attrition Rate | 5% | 5% |
| Mortality | Indian Assured Lives Mortal- ity (2012-14) Ultimate | Indian Assured Lives Mortal- ity (2012-14) Ultimate |

11. Current tax (assets) / liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Current tax assets | | |
| Advance tax and tax deducted at source | 2,37,373.54 | 2,08,092.94 |
| | 2,37,373.54 | 2,08,092.94 |
| Current tax liabilities | | |
| Income tax payable | 2,49,185.46 | 2,22,639.21 |
| | 2,49,185.46 | 2,22,639.21 |
| Net current tax (assets) / liabilities | 11,811.92 | 14,546.27 |

12. Other current liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------|------------------------|------------------------|
| Advances from customers | 8,458.62 | 17,516.22 |
| Statutory dues payables | 847.11 | 670.11 |
| | 9,305.73 | 18,186.33 |

The Company has evaluated the impact of the Supreme Court Judgment 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, Management believes that impact of the aforesaid judgement is not material to the standalone financial statements.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

13. Revenue from operations

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|------------------------------|--------------------------------|
| Sale of products | 18,05,323.45 | 11,51,101.77 |
| Less: Sales discounts | 23,369.56 | 45,643.37 |
| | 17,81,953.89 | 11,05,458.40 |
| Government subsidy | 14,87,293.84 | 6,66,268.74 |
| Revenue from Urea canalizing agent transactions (High sea sales) [Value of goods Less: Cost of value imported on Government Account - Also refer note below*] | 8,44,752.88 (8,43,597.25) | 18,16,852.37 (18,14,794.34) |
| Sale of services | 1,155.63 | 2,058.03 |
| Other operating revenues | 58,356.17 3,544.34 | 73,764.43 2,803.71 |
| Total revenue from operations | 33,32,303.87 | 18,50,353.31 |

* For arrangements of import of Urea on Government Account, Company acts as a canalizing agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks, on case to case basis. Net Income representing the trade margin is recognized as revenue as per the terms of agreement when such amounts become entitled.

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 26 - 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 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Sale of products comprises : | | |
| Manufactured goods | | |
| Sugar and by Products | 1,62,918.74 | 1,18,954.24 |
| Cattle feed Products | 1,481.50 | 3,422.80 |
| Milk & Milk products | 8,232.11 | 5,830.33 |
| Single Super Phosphate | 1,714.93 | 1,484.79 |
| Total - Sale of manufactured goods | 1,74,347.28 | 1,29,692.16 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

13. Revenue from operations (Continued)

| | | |
|--|---------------------|--------------------|
| Traded goods | | |
| Muriate of Potash | 5,70,446.26 | 3,71,895.25 |
| Di Ammonium Phosphate | 5,45,632.42 | 3,57,788.67 |
| Urea | 1,68,962.57 | 1,46,710.52 |
| Complex Fertilisers | 2,89,627.84 | 1,06,651.59 |
| Others | 56,307.08 | 38,363.58 |
| Sales discounts | (23,369.56) | (45,643.37) |
| Total - Sale of traded goods | 16,07,606.61 | 9,75,766.24 |
| Government subsidy comprises: | | |
| Traded goods | | |
| Muriate of Potash | 2,14,736.36 | 90,589.63 |
| Di Ammonium Phosphate | 9,91,925.36 | 5,05,838.87 |
| Complex Fertilisers | 2,57,128.75 | 69,706.67 |
| Others | 23,503.37 | 133.57 |
| Total - Government subsidy | 14,87,293.84 | 6,66,268.74 |
| Other operating revenues | | |
| - Sale of scrap | 422.39 | 461.91 |
| - Packing charges recovered | 24.47 | 19.61 |
| - Amount received from suppliers/agents towards Shortage | 1,157.69 | 281.80 |
| - Despatch / Demurrage (net) | 1,939.79 | 2,040.39 |
| | 3,544.34 | 2,803.71 |

14. Other income

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest Income | | |
| - Interest income earned on financial assets that are not designated as at FVTPL | 599.19 | 376.51 |
| - Bank deposits (at amortised cost) | 1,478.13 | 1,124.50 |
| - Interest income from Debt instruments at fair value through other comprehensive income | 5,432.62 | 6,060.05 |
| Dividend on Equity Shares * | 49,490.17 | 4,658.20 |
| Profit on sale of PPE (net) | - | 220.61 |
| Net fair value gains on financial assets measured at fair value through profit or loss | - | 186.68 |
| Profit on sale of investments, net | 10,305.80 | 5,978.73 |
| Receipts towards insurance claims | 542.17 | 233.88 |
| Net gain on foreign currency transactions and translation | - | 1,794.58 |
| Miscellaneous income | 923.48 | 561.05 |

* Includes Dividend received from Associate company Rs: 49,482.28 Lakhs (March 31, 2022: Rs: 4658.20 lakhs). Refer Note 25

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

| | | |
|---------------------------|------------------|------------------|
| Total Other Income | 68,771.56 | 21,194.79 |
|---------------------------|------------------|------------------|

15. Cost of materials consumed

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Raw materials | | |
| Raw materials at the beginning of the year | 1,643.07 | 1,207.29 |
| Add: Purchases | 1,51,477.68 | 1,17,654.20 |
| Less: Raw materials at the end of the year | (2,069.53) | (1,643.07) |
| Total cost of materials consumed | 1,51,051.15 | 1,17,218.42 |
| Material consumed comprises: | | |
| Sugarcane | 1,17,331.67 | 78,715.25 |
| Others | 33,719.48 | 38,503.17 |
| Total | 1,51,051.15 | 1,17,218.42 |

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Opening stock | | |
| Finished goods | 83,462.03 | 78,701.59 |
| Work in progress | 3,072.35 | 1,954.53 |
| Stock-in-trade | 5,14,970.68 | 1,79,001.28 |
| Closing stock | | |
| Finished goods | (83,554.50) | (83,462.03) |
| Work in progress | (3,469.76) | (3,072.35) |
| Stock-in-trade | (3,09,256.66) | (5,14,970.68) |
| Total changes in inventories of finished goods, work-in progress and stock in trade | 2,05,224.14 | (3,41,847.66) |

17. Employee benefit expense

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Employee benefit expense | | |
| Salaries, wages and bonus | 9,468.77 | 8,036.03 |
| Contribution to provident and other funds | 961.84 | 924.24 |
| Gratuity | 219.37 | 220.68 |
| Leave compensation | 375.33 | 317.37 |
| Staff welfare expenses | 368.84 | 248.16 |
| Total | 11,394.15 | 9,746.48 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

18. Depreciation and amortisation expense

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment | 4,139.32 | 3,821.40 |
| Amortisation of intangible assets | 32.48 | 39.14 |
| Depreciation of right-of-use assets | 597.25 | 778.26 |
| Total | 4,769.05 | 4,638.80 |

19. Other expenses

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 6,957.49 | 3,417.42 |
| Power and fuel | 2,243.24 | 1,614.60 |
| Freight and Forwarding charges | 1,30,459.04 | 1,14,450.84 |
| Discharge & clearance expenses | 29,292.81 | 34,528.14 |
| Packing materials Consumed - indigenous | 22,995.00 | 21,928.71 |
| Godown Rent | 2,764.80 | 3,217.54 |
| Rent including lease rentals | 266.26 | 333.62 |
| Repairs and maintenance - Buildings | 408.32 | 550.71 |
| Repairs and maintenance - Machinery | 4,501.79 | 3,499.50 |
| Repairs and maintenance - Others | 1,253.92 | 1,059.94 |
| Restitching & Rebagging Charges | 1,056.06 | 804.08 |
| Storage & Transit Insurance | 1,906.80 | 776.83 |
| Rates and taxes | 2,393.22 | 15,409.76 |
| Communication | 180.27 | 178.16 |
| Travelling and conveyance | 574.17 | 351.73 |
| Printing and stationery | 77.47 | 67.76 |
| Business promotion | 779.26 | 358.48 |
| Legal and professional | 886.44 | 736.59 |
| Payments to auditors [Refer note 19(a) below] | 72.78 | 81.77 |
| Corporate social responsibility expenses [Refer note 19(b) below] | 1,425.04 | 1,270.07 |
| Directors sitting fees and commission | 82.50 | 90.95 |
| Provision for doubtful trade and other receivables, loans (net) | (6,001.15) | (4,482.97) |
| Net loss on foreign currency transactions and translation | 26,925.45 | - |
| Miscellaneous expenses | 1,480.07 | 1,084.50 |
| Loss on sale of PPE (net) | 375.24 | - |
| Total other expenses | 2,33,356.29 | 2,01,328.73 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

19 (a) Details of payments to auditors:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Payment to auditors | | |
| As auditor: | | |
| Audit fee (including audit of Consolidated Financial Statements) | 32.00 | 35.00 |
| Tax audit fee | 4.00 | 7.00 |
| In other capacities: | | |
| Taxation matters | | |
| Certification fees | 36.22 | 36.30 |
| Reimbursement of expenses | 0.56 | 3.47 |
| Total Payment to auditors | 72.78 | 81.77 |

19(b) CSR expenditure

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Contribution to projects for rural development, skills development, healthcare, education and environmental conservation [including contribution to PM Cares fund - Rs 1.91 (Previous year: Nil)] | 378.30 | 527.97 |
| Accrual towards unspent obligations in respect to: | | |
| Ongoing project | 1,046.74 | 654.96 |
| Other than ongoing projects | - | 87.14 |
| Total | 1,425.04 | 1,270.07 |
| Amount required to be spent as per Section 135 of the Act | 1,342.63 | 1,177.28 |
| Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | 316.94 |
| (ii) On purposes other than (i) above | 378.3 | 211.03 |

Details of ongoing CSR projects under Section 135(6) of the Act

| Balance as at 1 April 2022 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at 31 March 2023 | |
|----------------------------|---------------------------------|---|---------------------------------|-----------------------------------|-----------------------------|---------------------------------|
| With the company | In separate CSR unspent account | | From the company's bank account | From separate CSR unspent account | With the company * | In separate CSR unspent account |
| 654.96 | - | 1,425.04 | 378.30 | 494.18 | 1,046.74 | 160.78 |

*The Company has transferred the unspent CSR amount to a separate CSR unspent account subsequent to the balance sheet date, within the statutory timelines.

The balance unspent as at April 1, 2022 also includes Rs. 150.00 lakhs which has been contributed to an implementing agency, who has confirmed that amount is earmarked separately for ongoing projects."

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | Year ended 31 March 2023 |
|---|-----------------------------|
| Balance unspent as at 1 April 2022 | 87.14 |
| Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | (87.14) |
| Amount required to be spent during the year | - |
| Amount spent during the year | - |
| Balance unspent as at 31 March 2023 | - |

20. Finance costs

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest on bank overdraft and loans | 21,523.55 | 4,234.00 |
| Interest on delayed remittance of income taxes | 26.50 | 403.41 |
| Interest expense on lease liability | 166.80 | 73.40 |
| Exchange difference regarded as an adjustment to borrowing costs | 43,606.90 | 3,611.63 |
| Other interest & bank charges | 4,254.43 | 3,492.50 |
| Total Finance costs | 69,578.18 | 11,814.94 |

21 Income tax expense

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Income tax expense recognized in Profit and Loss: | | |
| Current tax | 26,546.24 | 23,055.00 |
| Deferred tax | 600.24 | (2,375.81) |
| Total Income Tax expense recognized during the year | 27,146.48 | 20,679.19 |
| Income tax reconciliation: | | |
| Profit before tax | 1,02,297.22 | 82,185.32 |
| Applied tax rate* | 25.168% | 25.168% |
| Income tax expense calculated at Applied Tax rate | 25,746.16 | 20,684.40 |
| Total income tax expense recognized during the year | 27,146.48 | 20,679.19 |
| Differential tax impact | 1,400.32 | (5.21) |
| Differential tax impact due to the following Tax benefits / (Tax expense) : | | |
| Tax on exempt Income | (92.76) | (92.75) |
| Interest on tax liability | 58.07 | 98.11 |
| Expenses not allowable, net | 867.13 | 241.53 |
| Others | 567.88 | (252.10) |
| Total | 1,400.32 | (5.21) |

* The Company elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

22. Earnings per share

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Profit attributable to the equity holders of the Company | 75,150.74 | 61,506.13 |
| 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.) | 262.79 | 215.08 |
| - Diluted (Rs.) | 262.79 | 215.08 |

23. 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 2023 | As at 31 March 2022 |
|-------------------------------|------------------------|------------------------|
| Property, plant and equipment | 7,889.60 | 666.22 |

24. Contingent liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| 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 | 12,731.75 | 11,148.52 |
| Disputed customs duty demand for which the Company has preferred an appeal before the CESTAT | 16,503.62 | 14,882.21 |
| Claims against the Company not acknowledged as debt - Disputed refunds relating to Goods and Services Tax | 22,786.69 | 20,200.87 |
| Claims against the Company not acknowledged as debt - Disputed dues relating to Other Indirect Tax cases | 939.04 | 939.04 |
| Disputed income tax demands contested in Appeals not provided for: | | |
| Appeal pending before Commissioner of Income Tax (Appeals) for the AY 2014-15 | 12.63 | 12.63 |

- (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

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

24. Contingent liabilities (Continued)

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, 2023 amounts to Rs. 45,367 Lakhs (March 31, 2022 : Rs. 14,652.73 Lakhs). The Company believes that it can successfully defend the case relating to refund eligible under rule 89(5).
- (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 an 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 responded to the queries raised by the authorities both through written form and also by way of personal appearance on various dates and there has not been any development in this matter since the last annual report of 2021-22. During the previous year, a writ petition has been filed before the Honourable High Court of Delhi for quashing / setting aside the said FIR and the matter is sub-judice.

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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

24. Contingent liabilities (Continued)

- (f) Deputy commissioner of Income tax (Central Circle-1, Delhi) has initiated assessment proceeding under section 153A of Income tax Act for Financial year 2011-12 to 2018-19 vide notice dated December 16, 2022. Pending completion of proceeding impact of the assessment on this financial Statement is not ascertainable as on the date of signing this Statement.

25. 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 Bio Fuels Ltd. (Formally known as IPL Sugars & Allied Industries Ltd)

Associate

Jordan Phosphate Mines Company

Subsidiary of the above entity

Nippon Jordan Fertilizers Company Limited

Key management personnel

Dr. P. S. Gahlaut, MD
Mr. R. Srinivasan, CFO
Dr. Girish Kumar, Company Secretary.

Other Directors

Shri. Sundeep Kumar Nayak, IAS, Chairman (Upto September 2022)
Shri. Pankaj Kumar Bansal, IAS, Chairman (From september 2022)
Dr. U. S. Awasthi, Director
Shri. Prem Chandra Munshi, Director
Shri. Dileep Sanghani, Director
Shri. Mukesh Puri, IAS
Shri. U. Saravanan
Dr. Sunil Kumar Singh, Director

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

25. Related party transactions (Continued)

Shri. Rahul Pandey, IFS
 Shri. S. C. Mudgerikar, Director (Upto May 2022)
 Shri. Rakesh Kapur, Director
 Shri. Pradyumna Srinivas Poojari, IAS, Director (Upto February 2023)
 Shri. Mallela Venkateswara Rao, Director
 Shri. Anumulapuri Sreenivas, Director
 Shri. Sudhakar Bapurao Telang, Director
 Shri. Sudhir Bhargava, Director
 Shri. Arvind Kumar Kadyan, Director
 Ms. Vandana Chanana, Director

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 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Remuneration and other benefits * | 223.83 | 189.80 |
| Directors sitting fees, commission and others | 82.50 | 90.95 |
| | 306.33 | 280.75 |

* 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 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Investing party - Indian Farmers' Fertiliser Co-operative Limited (IFFCO) | | |
| Sale of goods | 2,43,178.22 | 1,06,810.40 |
| Insurance charges recovered | 90.76 | 32.52 |
| Service charges recovered | 63.73 | 79.95 |
| Discounts | 4,524.10 | 6,761.19 |
| Dividend paid | 524.88 | 349.92 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

C. Transactions with related parties other than key management personnel (Continued)

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited | | |
| Sale of services | 15.24 | 16.13 |
| Services availed | 2,810.20 | 1,387.40 |
| Subsidiary of IFFCO-IFFCO eBazar Limited | | |
| Sale of goods | 257.20 | 164.75 |
| Subsidiary of IFFCO-Kisan International Trading FZE | | |
| Services availed | 341.13 | 1,125.67 |
| Despatch income | - | 13.73 |
| Investing party - Indian Farmers' Fertiliser Co-operative Limited (IFFCO) | | |
| Purchases of Goods | 7,226.66 | - |
| Associate company - Jordan Phosphate Mines Company | | |
| Purchases of Goods | 16,169.39 | 30,590.17 |
| Dividend Received | 49,482.28 | 4,658.20 |
| Subsidiary of Jordan Phosphate Mines Company-Nippon Jordan Fertilizers Company Limited | | |
| Purchases of Goods | 3,221.25 | - |
| Indian Potash Limited Staff Provident Fund | | |
| Contribution to Provident Fund | 334.20 | 271.94 |
| Indian Potash Non-Executive Staff Gratuity Fund | | |
| Contribution to Gratuity Fund | 100.00 | 50.00 |
| Indian Potash Executive Staff Gratuity Fund | | |
| Contribution to Gratuity Fund | 100.00 | - |
| Indian Potash Senior Executive Staff Superannuation Fund | | |
| Contribution to Super Annuation Fund | 71.82 | 63.87 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Indian Farmers' Fertiliser Co-operative Limited (IFFCO) | | |
| Trade Receivable (Sale of Goods & Services) | 18,084.60 | 3.11 |
| Customer Discounts Payable | 2,967.75 | 3,927.63 |
| Trade payables | 1,238.22 | - |
| Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited | | |
| Trade Receivable | 1,165.57 | 1,423.12 |
| Trade Payable | 3.76 | 4.94 |
| Subsidiary of IFFCO-IFFCO eBazar Limited | 9.84 | 35.09 |
| Trade Receivable | | |
| Subsidiary of IFFCO-Kisan International Trading FZE | | |
| Trade Payable | - | - |
| Associate company - Jordan Phosphate Mines Company | | |
| Trade Payable (Purchase of Goods) | - | - |

E. Loans/Advances to related parties

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| IPL Sugars and Bio Fuels Ltd. (Erstwhile IPL Sugars & Allied Industries Ltd) | | |
| Opening balance | 2,497.99 | 2,498.22 |
| Loans/Advances given | 14.53 | 13.46 |
| Loans/Advances repaid | (135.04) | - |
| Interest income | 329.88 | 304.93 |
| Loss allowance | (344.40) | (318.62) |
| Closing balance | 2,362.95 | 2,497.99 |

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 1,963.02 (31 March 2022: INR 1,618.62) provided for receivable from IPL Sugars and Bio Fuels Ltd. (Erstwhile IPL Sugars & Allied Industries Ltd)

All outstanding balances are unsecured and repayable in cash.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

26. Segment reporting

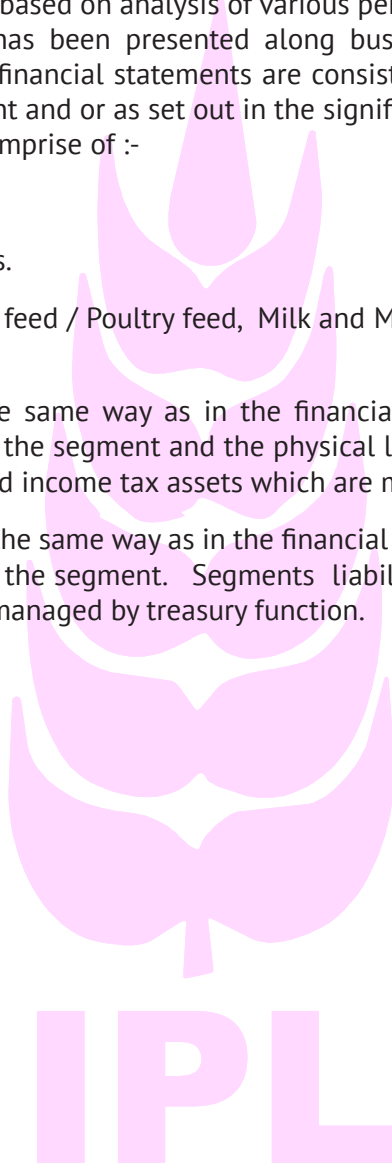
Ind AS 108 establishes standards for reporting information about operating segments and related disclosure about product and services, geographical areas and major customers. Based on 'management approach' as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance 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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

| Particulars | Year ended 31 March 2023 | | | | Year ended 31 March 2022 | | | |
|-----------------------------------|--------------------------|-------------------|--------------|---------------------|--------------------------|--------------|-----------|---------------------|
| | Fertiliser | Sugar | Others | Total | Fertiliser | Sugar | Others | Total |
| Revenue from operations | 31,59,396.95 | 1,63,090.51 | 9,816.41 | 33,32,303.87 | 17,20,900.08 | 1,19,264.78 | 10,188.45 | 18,50,353.31 |
| Identifiable operating expenses | 30,63,941.22 | 1,55,289.65 | 9,969.16 | 32,29,200.03 | 16,49,416.81 | 1,18,515.77 | 9,615.26 | 17,77,547.84 |
| Segment operating income | 95,455.73 | 7,800.86 | (152.75) | 1,03,103.84 | 71,483.27 | 749.01 | 573.19 | 72,805.47 |
| Unallocable expenses | | | | 69,578.18 | | | | 11,814.94 |
| Operating profit | | | | 33,525.66 | 1,794.58 | | | 60,990.53 |
| Other income | | | | - | | | | 1,794.58 |
| Unallocable income | | | | 68,771.56 | | | | 19,400.21 |
| Profit before income tax | | | | 1,02,297.22 | | | | 82,185.32 |
| Income tax expense | | | | 27,146.48 | | | | 20,679.19 |
| Net profit | | | | 75,150.74 | | | | 61,506.13 |
| | | | | | | | | |
| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
| Particulars | Fertiliser | Sugar | Others | Total | Fertiliser | Sugar | Others | Total |
| B. SEGMENT ASSETS | | | | | | | | |
| Segment assets | 11,01,694.32 | 1,57,604.96 | 8,522.37 | 12,67,821.66 | 8,12,521.70 | 1,63,733.75 | 26,104.59 | 10,02,360.04 |
| Unallocated Corporate assets | | | | 2,74,779.80 | | | | 9,73,516.29 |
| Total Assets | | | | 15,42,601.46 | | | | 19,75,876.33 |
| C. SEGMENT LIABILITIES | | | | | | | | |
| Segment Liabilities | 5,19,778.92 | 64,749.62 | 753.93 | 5,85,282.47 | 7,55,206.08 | 1,64,841.75 | 12,710.41 | 9,32,758.24 |
| Unallocated Corporate liabilities | | | | 4,15,750.64 | | | | 5,76,356.66 |
| Total Liabilities | | | | 10,01,033.11 | | | | 15,09,114.90 |
| Capital expenditure | 5,274.27 | 33,232.44 | 176.84 | 38,683.55 | 2,101.83 | 7,148.78 | 1,953.90 | 11,204.51 |
| | | | | | | | | |
| Particulars | As at 31 March 2023 | | | As at 31 March 2022 | | | | |
| Particulars | India | Rest of the world | Total | India | Rest of the world | Total | | |
| Revenue by Geographical area | 32,80,684.09 | 51,619.78 | 33,32,303.87 | 18,29,742.42 | 20,610.89 | 18,50,353.31 | | |
| Carrying amount of Segment Assets | 14,63,357.78 | 79,243.68 | 15,42,601.46 | 9,24,846.54 | 69,971.54 | 19,75,876.33 | | |
| Capital expenditure | 38,683.55 | - | 38,683.55 | 11,204.51 | - | 11,204.51 | | |
| Non- Current assets | 3,601.93 | - | 3,601.93 | 18.10 | - | 18.10 | | |

Entity wide disclosures

The entity is domiciled in India

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 13.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27. Fair value measurements
27.1 Financial instruments by category

| Particulars | As at 31 March 2023 | | | As at 31 March 2022 | | |
|--|---------------------|------------------|--------------------|---------------------|------------------|---------------------|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Financial assets | | | | | | |
| Investment in equity Instruments # | - | 2,214.10 | - | - | 2,700.65 | - |
| Investment in debt instruments | - | 12,743.14 | - | - | 44,354.54 | - |
| Investment in government securities | - | - | 13.11 | - | - | 10.61 |
| Investment in perpetual bonds | - | - | 32,752.60 | - | - | 50,373.27 |
| Investment in mutual funds | - | - | - | 2,79,586.68 | - | - |
| Trade receivables | - | - | 5,45,436.04 | - | - | 1,90,020.33 |
| Cash and cash equivalents | - | - | 1,21,326.81 | - | - | 4,92,720.73 |
| Bank balances other than cash and cash equivalents | - | - | 18,740.03 | - | - | 18,295.43 |
| Loans | - | - | 2,364.58 | - | - | 2,498.34 |
| Other financial assets | - | - | 15,344.89 | - | - | 6,029.19 |
| TOTAL FINANCIAL ASSETS | - | 14,957.24 | 7,35,978.06 | 2,79,586.68 | 47,055.19 | 7,59,947.90 |
| Financial liabilities | | | | | | |
| Borrowings including accrued interest and current maturities | - | - | 3,96,377.57 | - | - | 5,53,873.62 |
| Trade payables | - | - | 5,36,126.76 | - | - | 8,62,488.75 |
| Other financial liabilities | - | - | 36,515.61 | - | - | 49,693.88 |
| Lease liabilities | - | - | 2,029.45 | - | - | 2,513.68 |
| TOTAL FINANCIAL LIABILITIES | - | - | 9,71,049.39 | - | - | 14,68,569.93 |

Excludes investments which are measured at cost being :

- investments in equity instruments of wholly owned subsidiaries aggregating to Rs. 100.00 (31 March 2022 : Rs. 100.00) and
- investments in equity instruments in Associate company to Rs. 64,968.97 (31 March 2022 : 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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27. Fair value measurements (Continued)
27.2 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.

27.3 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 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Financial assets | | | | |
| Financial investments at FVTOCI | | | | |
| Investment in Equity Instruments | 251.85 | - | 1,962.25 | 2,214.10 |
| Investment in Debt Instruments | 5,834.46 | 6,908.68 | - | 12,743.14 |
| Financial investments at FVPL | | | | |
| Investment in mutual funds | - | - | - | - |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27. Fair value measurements (Continued)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|-----------|---------|-----------|-----------|
| Financial assets | | | | |
| Investment in government securities | - | - | 13.11 | 13.11 |
| Investment in perpetual bonds | 32,752.60 | - | - | 32,752.60 |
| Financial liabilities | | | | |
| Non current borrowings | - | - | 12,461.19 | 12,461.19 |

| Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2022 | Level 1 | Level 2 | Level 3 | Total |
|--|----------|-------------|----------|-------------|
| Financial assets | | | | |
| Financial investments at FVTOCI | | | | |
| Investment in Equity Instruments | 551.67 | - | 2,148.98 | 2,700.65 |
| Investment in Debt Instruments | 6,465.16 | 37,889.38 | - | 44,354.54 |
| Financial investments at FVPL | | | | |
| Investment in mutual funds | - | 2,79,586.68 | - | 2,79,586.68 |

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|-----------|---------|----------|-----------|
| Financial assets | | | | |
| Investment in government securities | - | - | 10.61 | 10.61 |
| Investment in perpetual bonds | 50,373.27 | - | - | 50,373.27 |
| Financial liabilities | | | | |
| Non current borrowings | - | - | 4,784.26 | 4,784.26 |

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 which are included in level 3.

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

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|-------------------------------------|---------------------|------------------|---------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investment in government securities | 13.11 | 13.11 | 10.61 | 10.61 |
| Investment in perpetual bonds | 32,752.60 | 32,752.60 | 50,373.27 | 50,570.59 |
| TOTAL ASSETS | 32,765.71 | 32,765.71 | 50,383.88 | 50,581.20 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27. Fair value measurements (Continued)

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------|---------------------|------------|---------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial Liabilities | | | | |
| Borrowing | 12,461.19 | 12,461.19 | 4,784.26 | 4,784.26 |
| Total Liabilities | 12,461.19 | 12,461.19 | 4,784.26 | 4,784.26 |

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.

27. 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 forecasted 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 currency 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 2023 USD in Lakhs | 31 March 2022 USD in Lakhs |
|---------------------------------------|-------------------------------|-------------------------------|
| Forward contracts (sell) | 73.12 | - |
| Forward contracts (Buy) | 72.50 | - |
| Foreign currency principal swap (buy) | 64.64 | 93.96 |

The foreign exchange forward contracts generally mature anywhere between 3-30 days. The foreign currency principal swap contracts mature anywhere between 2 to 39 months.

28 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 :

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)
28(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 2023:

| 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 | 69,367.01 | 15,826.79 | 1,713.68 | 566.13 | 511.93 | 2,032.65 | 20,010.74 | 1,10,028.93 |
| Expected loss rate | 1.10% | 2.42% | 9.69% | 20.73% | 37.77% | 72.98% | 100.00% | |
| Expected credit losses (loss allowance provision) | (762.65) | (383.69) | (166.08) | (117.34) | (193.37) | (1,483.44) | (20,010.74) | (23,117.30) |
| Carrying amount of trade receivables (net of impairment) | 68,604.36 | 15,443.10 | 1,547.60 | 448.79 | 318.56 | 549.21 | - | 86,911.62 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)
As at 31 March 2022:

| 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 | 23,892.76 | 7,847.32 | 1,924.56 | 948.91 | 750.78 | 3,261.02 | 20,089.64 | 58,715.00 |
| Expected loss rate | 1.04% | 2.22% | 8.12% | 17.65% | 32.73% | 72.59% | 100.00% | |
| Expected credit losses (loss allowance provision) | (248.04) | (174.15) | (156.26) | (167.44) | (245.74) | (2,367.18) | (20,089.64) | (23,448.45) |
| Carrying amount of trade receivables (net of impairment) | 23,644.72 | 7,673.17 | 1,768.30 | 781.47 | 505.04 | 893.84 | 0.00 | 35,266.55 |

28 (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 2023 | As at 31 March 2022 |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | 1,21,326.81 | 4,92,720.73 |
| Bank balances | 18,740.03 | 18,295.43 |
| Total | 1,40,066.84 | 5,11,016.16 |

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 2023 | As at 31 March 2022 |
|--|---------------------|---------------------|
| Expiring within one year - short term borrowings and other facilities expiring 31 March 2024 (Fund and non fund based) | 25,07,835.45 | 17,06,333.02 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 (ii). Liquidity risk (Continued)
b) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022:

| Particulars | As at 31 March 2023 | | | |
|--|---------------------|-----------------|-------------------|--------------------|
| | Less than one year | 1-2 years | 2 years and above | Total |
| Fixed interest rate borrowings | 3,79,275.81 | - | - | 3,79,275.81 |
| Variable interest rate borrowings (Refer note below) | 4,640.57 | 4,748.81 | 7,712.38 | 17,101.76 |
| Lease liabilities | 549.89 | 1,168.02 | 311.54 | 2,029.45 |
| Trade payables | 5,36,126.76 | - | - | 5,36,126.76 |
| Other financial liabilities | 29,426.84 | - | 7,088.77 | 36,515.61 |
| Total | 9,50,019.87 | 5,916.83 | 15,112.69 | 9,71,049.39 |

| Particulars | As at 31 March 2022 | | | |
|--|---------------------|-----------------|-------------------|---------------------|
| | Less than one year | 1-2 years | 2 years and above | Total |
| Fixed interest rate borrowings | 5,46,963.02 | - | - | 5,46,963.02 |
| Variable interest rate borrowings (Refer note below) | 2,126.34 | 2,126.34 | 2,657.92 | 6,910.60 |
| Lease liabilities | 629.47 | 1,071.22 | 812.99 | 2,513.68 |
| Trade payables | 8,62,488.75 | - | - | 8,62,488.75 |
| Other financial liabilities | 44,782.61 | - | 4,911.29 | 49,693.90 |
| Total | 14,56,990.17 | 3,197.56 | 8,382.20 | 14,68,569.93 |

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.

28 (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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 (iii) Foreign currency risk (Continued)

The following table presents foreign currency risk from non-derivative financial instruments as of 31 March 2023 and 31 March 2022 :

As at 31 March 2023

| Particulars | USD Lakhs | INR Equivalent (in Lakhs) | EUR Lakhs | INR Equivalent (in Lakhs) | AED Lakhs | INR Equivalent (in Lakhs) |
|---------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|
| Assets: | | | | | | |
| EEFC Account | 42.72 | 3,569.01 | - | - | - | - |
| Trade receivables | 324.18 | 27,132.00 | 0.02 | 1.63 | - | - |
| Liabilities: | | | | | | |
| Borrowings | 4,717.18 | 3,87,612.48 | - | - | - | - |
| Trade payables | 2,956.65 | 2,42,748 | - | (1.63) | - | - |

Pursuant to geopolitical factors relating to Russia- Ukraine matters since February 2022, the Company has entered into an arrangement with JSC Belarusian Potash Company to convert the underlying USD denominated payables to INR denominated payables, for which the Company has opened a new bank account subsequent to the balance sheet date with an Indian branch of a foreign bank to disburse the payments.

As at 31 March 2022

| Particulars | USD Lakhs | INR Equivalent (in Lakhs) | EUR Lakhs | INR Equivalent (in Lakhs) | AED Lakhs | INR Equivalent (in Lakhs) |
|---------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|
| Assets: | | | | | | |
| EEFC Account | 28.75 | 2,178.75 | - | - | - | - |
| Trade receivables | 28.62 | 2,169.52 | - | - | - | - |
| Liabilities: | | | | | | |
| Borrowings | 6,574.18 | 4,98,273.16 | - | - | - | - |
| Trade payables | 7,386.03 | 5,59,805.07 | 0.05 | 4.52 | 8.01 | 165.20 |
| Other payables | 51.82 | 3,927.57 | - | - | - | - |

Sensitivity analysis

| Particulars | Impact on profit after tax | |
|--|----------------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| USD Sensitivity | | |
| INR/USD - Increase by 10% (31 March 2022-10%) | 79,146.63 | 86,257.28 |
| INR/USD - Decrease by 10% (31 March 2022-10%) | (79,146.63) | (86,257.28) |
| Euro Sensitivity | | |
| INR/Euro - Increase by 10% (31 March 2022-10%) | 0.34 | 0.11 |
| INR/Euro - Decrease by 10% (31 March 2022-10%) | (0.34) | (0.11) |
| AED Sensitivity | | |
| INR/AED - Increase by 10% (31 March 2022-10%) | 12.36 | 16.62 |
| INR/AED - Decrease by 10% (31 March 2022-10%) | (12.36) | (16.62) |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)
28(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 2023 | 31 March 2022 |
|--|---------------|---------------|
| Borrowings at variable interest rate: | | |
| - Current | - | 50,012.24 |
| - Non-current (including current maturities) | 17,101.76 | 6,910.60 |
| Borrowings at fixed interest rate : | | |
| - Current | 3,79,275.81 | 4,96,963.11 |
| - Non-current (including current maturities) | - | - |

Interest rate sensitivity analysis

| Particulars | Impact on profit after tax | |
|---|----------------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Interest rates increase by 10 base points | (40.70) | (15.56) |
| Interest rates decrease by 10 base points | 40.70 | 15.56 |

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, 2022: LIBOR/Treasury bill rates).

28(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 2023 would increase/ decrease by Rs.140 (31 March 2022: Rs. 470.55) 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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29 Additional regulatory information required by Schedule III
a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Borrowing secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The Company files quarterly returns or statements of current assets with banks and financial institutions, the following are the differences between the returns filed and the books of accounts

| Quarter Ended | Amount as per books of accounts | Amount as per quarterly return / statement | Difference | Reason |
|----------------------------------|---------------------------------|--|------------|--------|
| Quarter Ended June 30, 2022 | 11,18,552 | 11,44,156 | (25,604) | Note 1 |
| Quarter Ended September 30, 2022 | 14,74,140 | 15,29,394 | (55,254) | |
| Quarter Ended December 31, 2022 | 12,30,795 | 12,24,632 | 6,163 | |
| Quarter Ended March 31, 2023 | 9,46,721 | 9,56,061 | (9,340) | |

Note 1 :

The difference are due to Foreign exchange reinstatement and subsidy receivables reinstatement in Trade receivables at the end of each quarter. The adjustments are not considered in quarterly statement submitted to bank. Further provision for inventory is not considered in statement submitted to the bank.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29 Additional regulatory information required by Schedule III (Continued)
g) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j) Valuation of Property Plant & equipment intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

k) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 2(a) on Property, plant and equipment, are held in the name of the Company, except for the following:

| Description of property | Gross carrying value (Rs. In Lakhs) | Net carrying amount (Rs. In Lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in the name of the Company |
|---|--|---------------------------------------|---|--|--------------------------------|--|
| 1. Industrial Factory building located at Kundli, Sonipat (Haryana) | 88.98 | 44.38 | Goldline Milkfood and Allied Industries Limited | No | From September 2020 till date. | Refer note 1 below |
| 2. Freehold land of 1 Acre located at Kunli, Sonipat (Haryana) | 92.14 | 92.14 | Goldline Milkfood and Allied Industries Limited | No | From September 2020 till date. | Refer note 1 below |
| 3. Industrial Factory located at Muzzafarpur (Bihar) | 546.88 | 453.60 | Sri Krishna Fertilizers Limited | No | From September 2020 till date. | Refer note 1 below |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29 Additional regulatory information required by Schedule III (Continued)

In respect of the properties where the Company is the lessee, as disclosed in Note 2(c) on Right-of-use assets, all the agreements are duly executed in favour of the Company, except for the following :

| Description of property | Gross carrying value (Rs. In Lakhs) | Provisions) | Held in the name of | Whether promoter, director or their relative or employee | Period held | As at 31 March 2023 |
|---|-------------------------------------|-------------|--|--|--------------------------------|---------------------|
| 1. Leasehold land measuring 266 acres located in Motipur, Bihar | 5,620.00 | 4,557.84 | Members of Motipur Sugar Factory / Bihar Sugar State Corporation Limited | No | From FY 2011-12 till date. | Refer note 2 below |
| 2. Leasehold land located at Muzzafarpur, Bihar | 1.83 | 1 | Sri Krishna Fertilizers Limited | No | From September 2020 till date. | Refer note 3 below |

Notes :

- Pursuant to the merger of Goldline Milkfood and Allied Industries Limited (including step-down subsidiary Sri Krishna Fertilizers Limited) with the Company, the title deeds of these immovable properties are still held in the name of the erstwhile entities and are yet to be registered in the name of the Company.
- 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. Also, refer note 2(c)
- Pursuant to the merger of Sri Krishna Fertilizers Limited with the Company, the lease agreements are in the name of the erstwhile entity and are yet to be executed in favour of the Company.

l) Registration of charges or satisfaction with Registrar of Companies

The Company is yet to register satisfaction of charges amounting to INR 12,317.5 Lakhs (31 March 2022: Rs 88,259.63 Lakhs) with the Registrar of Companies within the statutory period. The delay is attributable to non-receipt of no-objection certificate from bankers for repayment of loan / satisfaction of charge.

m) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29 Additional regulatory information required by Schedule III (Continued)
n) Financial Ratios

| Ratio | Numerator | Denominator | Current Period | Previous Period | % Variance | Reason for variance |
|--|---------------------------------------|--|----------------|-----------------|------------|---------------------|
| Current ratio (times) | Current Assets | Current Liabilities | 1.30 | 1.15 | 14% | |
| Return on equity (%) | Profit after tax (PAT) | Average of Total equity | 14.91% | 14.08% | 6% | |
| Debt-equity ratio (%) | Total debt * | Total equity | 73.19% | 118.66% | -38% | Refer Note 1 below |
| Debt service coverage ratio (times) | Earnings available for debt service @ | Debt service # | (12.43) | 5.33 | -333% | Refer Note 2 below |
| Inventory turnover ratio (times) | Cost of goods sold ** | Average inventories | 5.91 | 3.59 | 65% | Refer Note 3 below |
| Trade receivables turnover ratio (times) | Revenue from operations | Average trade receivables | 9.06 | 7.45 | 22% | Refer Note 4 below |
| Trade payables turnover ratio (times) | Net purchases *** | Average trade payables | 3.97 | 3.45 | 15% | |
| Net capital turnover ratio (times) | Revenue from operations | Working Capital | 11.16 | 8.35 | 34% | Refer Note 5 below |
| Net profit ratio (%) | Current tax (assets) / liabilities | Revenue from Operations | 2.26% | 3.32% | -32% | Refer Note 6 below |
| Return on capital employed (%) | Earnings before interest, tax | Total equity, total debt minus deferred tax assets | 18.61% | 9.35% | 99% | Refer Note 7 below |
| Return on investment (%) | Earnings before interest, tax | Average total assets | 9.77% | 6.33% | 54% | Refer Note 8 below |

Alternatively,

| | | | | | | |
|---|---|---------------------|--------|-------|------|--------------------|
| Return on investments made by the Company (%) | Dividend income, interest income on bonds and income from sale of investments | Average investments | 23.51% | 5.80% | 305% | Refer Note 8 below |
|---|---|---------------------|--------|-------|------|--------------------|

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29 Additional regulatory information required by Schedule III (Continued)

* Total debt comprises of current and non-current borrowings.

@ Earnings available for debt service = Net Profit after Tax + Depreciation and amortization expense + Interest on long-term borrowings + Interest on lease liabilities

Debt service is the aggregate of repayment of long term borrowings and principal portion of lease payments, and their interest.

** Cost of goods sold comprises Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of work-in-progress, stock-in-trade and finished goods

*** Net purchases comprises of purchase of stock in trade and purchase of raw materials.

1. The reason for significant movements in Debt-equity ratio is on account of decrease in short-term borrowings primarily attributable to decrease in buyer's credit.
2. Decrease in debt service coverage ratio is attributable to increase of principal repayments of term loans and lease liabilities.
3. Increase in inventories primarily attributable to increased value of inventory consequent to increase in price resulting in lower inventory turnover ratio.
5. Increase in Sales during the current year in comparison to previous year
6. Increase in sales during the current year as compared to previous year and decrease in current liabilities due to decrease in Trade payables.
7. Improved net profits and repayment of trade payables resulted in improvement in ROCE
8. Increase in dividend income in comparison to previous year

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 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Net Debt (Total borrowings and lease liabilities net of cash and cash equivalents) Government subsidy | 2,58,340.18 | 45,371.14 |
| Total equity | 5,41,568.35 | 4,66,761.43 |
| Net Debt to Equity Ratio | 47.70% | 9.72% |

The net debt to equity ratio for the current year has increased from 9.72% to 47.70% following the significant decrease in cash and cash equivalents during the year.

(ii) Loan Covenants

The Company has complied with loan covenants as at March 31, 2023.

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

30 Capital management (Continued)
(iii) Dividends

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Dividends | | |
| (i) Equity shares Final dividend paid during the year 2022-2023 of INR 6.00 (31 March 2022 – INR 4.00) per fully paid share | 1,715.83 | 1,143.89 |
| (ii) Dividends not recognised at the end of the reporting period In addition to the above, proposed dividend of Rs. 7 (31 March 2022 – INR 6.00) 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. | 2,001.80 | 1,715.83 |

31. ACQUISITION OF SUGAR UNIT :

Pursuant to a Business Transfer Agreement (BTA) entered into with M/s.Shakthi Sugars Ltd (Seller), the company acquired the entire business of Seller's Dhenkanal Sugar Unit (DU), having cane crush capacity of 2,500 TCD together with 30 KLPD Distillery Unit with 10,000 MT per annum bio-composed production unit, Soya Extrusion Plant (the business) on "As is where is and what is" basis as a going concern on a slump sale along with rights, titles and interest of the seller in DU for a lumpsum consideration aggregating to Rs.13,410 lakhs with effect from 11th November, 2022.

The said consideration has been allocated to the Assets and Liabilities based on the respective fair value as determined by the independent valuer. The difference between the fair value of the net assets taken over and the lumpsum consideration paid aggregating to Rs. 2,290.32 lakhs has been accounted as capital reserve and disclosed in note No.8(b) to the financial statements.

| Particulars | Amount in Lakhs |
|------------------------------------|------------------|
| Land & Buildings | 9,177.93 |
| Plant & Equipment and Other Assets | 6,056.51 |
| Sub-total | 15,234.44 |
| Net Current Assets | 465.88 |
| Net Assets | 15,700.32 |
| Less : Purchase Consideration | 13,410.00 |
| Capital Reserve | 2,290.32 |

As at the reporting date, Land and Buildings are transferred in the name of the company and the conveyance deed registered with jurisdictional Sub-registrar office based at Dhenkanal, State of Orissa on 11th November, 2022. As per the BTA, the employees of DU were absorbed on the rolls of the company effective from 11th November, 2022. The liability towards terminal benefits

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

31. ACQUISITION OF SUGAR UNIT (Continued)

like gratuity, PF and leave encashment payable to the employees as on 10th November 2022 has been settled by the seller. Accordingly as per the BTA, the company has duly provided accrued liability for terminal benefits including the employees of DU as at the reporting date.

The statement of Profit and Loss accounts of the company includes revenue earned and the expenses incurred by DU for the period from 11th November 2022 to 31st March, 2023, as the company has taken over the management control of DU from 11th November, 2022 and all key activities are directed and controlled by the company effective from 11th November, 2022.

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

| Name of entity | Nature of Relationship | 31 March 2023 | 31 March 2022 |
|---|------------------------|--------------------|--------------------|
| Carrying amount of investments made: | | | |
| IPL Sugars and Bio Fuels Ltd (Previously IPL Sugars & Allied Industries Ltd) | Related Party | 100.00 | 100.00 |
| Jordan Phosphate Mines Company | Related Party | 64,968.97 | 64,968.97 |
| Indian Commodity Exchange Limited | Not a related Party | 1,867.25 | 2,053.98 |
| Wisekey India Private Limited | Not a related Party | 95.00 | 95.00 |
| BSE Limited | Not a related Party | 251.85 | 551.67 |
| BOB Perpetual Bond | Not a related Party | 18,198.45 | 18,198.45 |
| Union Bank of India Perpetual Bond | Not a related Party | - | 2,500.00 |
| Canara Bank Perpetual Bond | Not a related Party | 5,533.55 | 5,533.55 |
| HDFC Perpetual Bond | Not a related Party | - | 1,541.35 |
| SBI Perpetual Bond | Not a related Party | 9,020.60 | 22,599.92 |
| Mahindra & Mahindra Financial Services Ltd Zero Coupon Bond | Not a related Party | 6,908.68 | - |
| Sub- total | | 1,06,944.35 | 1,18,142.89 |

| Name of entity | Nature of Relationship | Purpose | 31 March 2023 | 31 March 2022 |
|--|------------------------|-------------------------------|--------------------|--------------------|
| Loans given: IPL Sugars and Bio Fuels Ltd. (Formerly known as IPL Sugars & Allied Industries Ltd) | Related Party | Business needs and exigencies | 2,362.95 | 2,497.99 |
| Sub- total | | | 2,362.95 | 2,497.99 |
| Grand Total | | | 1,09,307.30 | 1,20,640.88 |

Notes to standalone financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

33. Events after the reporting period

Subsequent to period end, the Company has proposed final dividend of Rs. 7 per fully paid share, subject to the approval of shareholders in the ensuing annual general meeting.

Subsequent to period end, the general assembly of Jordan Phosphate Mines Company, an associate, has approved in its ordinary meeting held on 04 April 2023 on distributing dividends of 300% nominal value of shares and Bonus Share 200% of the nominal value of the share for net profit of the year ending 31 December 2022.

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

As per our report of even date

For M S KA & Associates

Chartered Accountants

Firm Registration Number: 105047W

Geetha Jeyakumar

Partner

Membership No.: 029409

Place : Chennai

Date : 20th June 2023

For and on behalf of the Board of Directors

Indian Potash Limited

CIN:U14219TN1955PLC000961

Pankaj Kumar Bansal

Chairman

DIN: 05197128

Place : New Delhi

U.S.Awasthi

Director

DIN: 00026019

Place : New Delhi

Girish Kumar

Company Secretary

Place : New Delhi

Place: New Delhi

Date : 20th June 2023

P.S.Gahlaut

Managing Director

DIN: 00049401

Place : New Delhi

Sudhir Bhargava

Director

DIN: 00247515

Place : New Delhi

R. Srinivasan

Chief Financial Officer

Place : New Delhi

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAN POTASH LIMITED****Report on the Audit of the Consolidated Financial Statements****Qualified Opinion**

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, which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiary and associate, except for the effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate, as at March 31, 2023, consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

There is an ongoing investigation conducted by the Central Bureau of Investigation (the "CBI") against the Managing Director, one of the Directors of the Holding Company and their relatives mentioned in the CBI First Information

Report (the "FIR") wherein the CBI alleging that the Holding Company had imported fertilizers at inflated prices, claimed higher subsidies from Government of India and made payment of commission by overseas supplier 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 on account of ongoing investigation by the CBI, and the Honourable 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 hence, 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. (Refer Note 24(e)) to the Consolidated financial statements).

This matter was also qualified in the report of the predecessor auditors on the Consolidated financial statements for the year ended March 31, 2022.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report and Director's Report including Annexures to Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Key Audit Matters

The following Key Audit Matters were included in the audit report dated March 27, 2023, containing an unmodified audit opinion on the consolidated financial statements for the year ended December 31, 2022 of Jordan Phosphates Mines Company ("the Associate Group"), an associate Company of the Holding Company issued by an independent firm and 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 for the year ended March 31, 2023. 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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| No | Key Audit Matter | How the Key Audit Matter was addressed in our audit |
|----|--|---|
| 1 | <p>Revenue recognition (Refer Note 22 to consolidated financial statements of Jordan Phosphate Mines Company – Associate Group)</p> <p>The Associate Group focuses on revenue as one of its main performance measures, and given the importance of the amounts and the geographical diversity of the Associate 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 Associate Group satisfy 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.</p> | <p>Our audit procedures in respect of this area included:</p> <p>The audit procedures included an assessment of the Associate Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Associate Group's internal 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 to ensure proper recording in the proper period. We have also performed detailed revenue analysis using financial and non-financial information.</p> |

| | | |
|----------|--|---|
| <p>2</p> | <p>Provisions for employees' benefits (Refer Note 16 to consolidated financial statements of Jordan Phosphate Mines Company – Associate Group)</p> <p>The Associate Group has different employee benefit plans such as defined contribution plans whereas the Associate 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 2022 amounting to JD 95,165 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".</p> | <p>The audit procedures included an assessment of the accounting policies followed by the Associate 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 Associate Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19).</p> |
|----------|--|---|

Responsibilities of the Management, Board of Directors and Those Charged with Governance for the Consolidated Financial Statement

The Holding Company's Management and Board of Directors are responsible for the matter stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application

of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.2,477.24 Lakhs as at March 31, 2023, total revenues of Rs.Nil and net cash flows amounting to Rs.(0.30) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs.2,19,131.97 Lakhs for the year ended December 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

disclosures included in respect of these subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, and associate, is based solely on the reports of the other auditors.

The associate is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments 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 auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. The consolidated financial statements of the Company for the year ended March 31, 2022, were audited by another auditor. Apart from the modification reported by the predecessor auditor in their report dated June 13, 2022 with respect to the matter discussed in the basis for qualified opinion paragraph above, they have also qualified the below matter:

Holding Company's composition of the Board of directors, various committees of Board and consequential matters thereof, and obtaining post-facto approval instead of prior approval of the related party transactions by the Audit Committee, which were not in accordance with Sections 177(2), 178(1) and 135(1), 177(4) respectively of the Act and Rules made there under for the periods upto September 6, 2021 as referred in the note No

25(f) of previous year Financial Statement. The consequential impact of this matter on the Consolidated financial statements is currently not ascertainable.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion section 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. Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the records of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. The matter described in Basis of Qualified Opinion section of our report, 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, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group companies are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 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 of pending litigations on the consolidated financial position of the Group and its associates—Refer Note 24 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative

contracts for which there were any material foreseeable losses;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company, incorporated in India.
- iv. (a) The Managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the Note 29(g) to the consolidated financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Managements of the Holding Company and its subsidiary which are Companies incorporated in India whose financial statements have been audited under the

Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the Note 29(g) to the consolidated financial statements no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 31(iii) to the Consolidated financial statements).

- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for

the Holding Company, and its subsidiary Company, incorporated in India only w.e.f. April 01, 2023, reporting under this clause is not applicable.

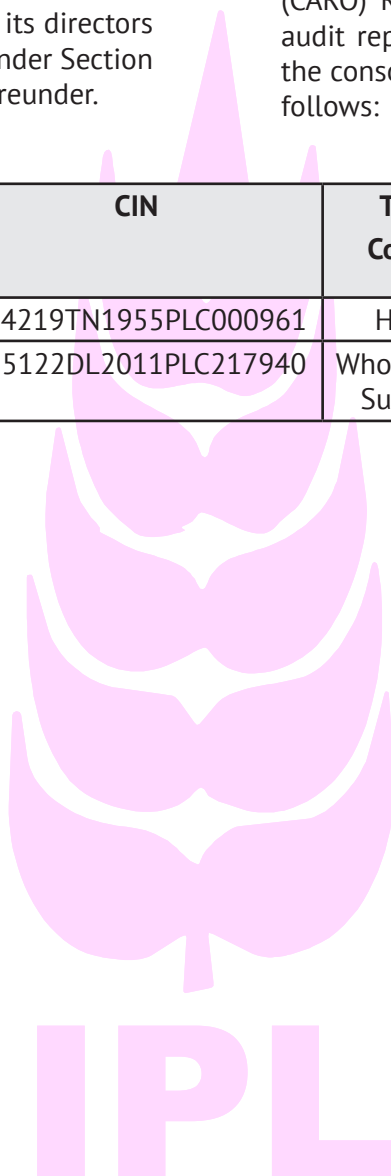
2. In our opinion, according to information, explanations given to us, the remuneration paid / provided by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made in standalone financial statements and by the respective auditors of the subsidiary in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

| Sr. No | Name of the Company | CIN | Type of Company | Clause number of the CARO Report which is qualified or Adverse |
|--------|---------------------------------|-----------------------|-------------------------|--|
| 1 | Indian Potash Limited | U14219TN1955PLC000961 | Holding | (xi)(a) |
| 2 | IPL Sugars and Biofuels Limited | U15122DL2011PLC217940 | Wholly owned Subsidiary | (vii)(a) |

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 23029409BGTMVY4047

Place : Chennai
Date : 20th June 2023



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN POTASH LIMITED

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

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

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

conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Membership No. 029409
UDIN : 23029409BGTMVY4047

Place : Chennai
Date : 20th June 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN POTASH LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in 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, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**Qualified Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023 we have audited the internal financial controls with reference to consolidated financial statements of Indian Potash Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Company which are Companies incorporated in India, have, in all material respects, maintained adequate internal financial controls with reference to the consolidated financial statements of the Group as of March 31, 2023, based on the internal financial controls with reference to the consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") and except for the effects of the material weakness described below on the achievement of the objectives of the control criteria, the internal financial controls of the Holding Company and its subsidiary Company, which are Companies incorporated in India, with reference to the consolidated financial statements of the Group, were operating effectively as of March 31, 2023

We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended March 31, 2023, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group for the year ended on that date and we have issued a qualified opinion on these Consolidated financial statements.

Basis for Qualified Opinion

According to the information and explanation 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 control with reference to financial statements as at March 31, 2023.

- a) The Company's internal financial controls over period end financial review process and compliance with laws and regulations, were not operating effectively which could result in a potential adjustment to the Consolidated financial statements, including measurement of provisions, contingencies and commitments. (Refer Basis for Qualified Opinion section of the main audit report).

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting with reference to Consolidated financial statements, 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.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary Company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With reference to Consolidated Financial Statements

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

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary Company, which is a Company incorporated in India, is based on the corresponding report of the auditors of such subsidiary Company. Our opinion is not modified in respect of this matter.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN : 23029409BGTMVY4047

Place : Chennai

Date : 20th June 2023





INDIAN POTASH LIMITED

Consolidated Balance sheet as at March 31, 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|--|----------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2(a) | 1,22,039.35 | 88,094.26 |
| Capital work-in-progress | 2(b) | 2,445.92 | 15,730.44 |
| Right-of-use assets | 2(c) | 11,259.98 | 10,520.41 |
| Goodwill on consolidation | | 409.83 | 409.83 |
| Other Intangible assets | 3 | 85.66 | 113.01 |
| Investments accounted for using equity method | 30 | 4,42,887.60 | 2,41,477.60 |
| Financial assets | | | |
| i. Investments | 4(a)(i) | 40,814.27 | 59,549.70 |
| ii. Other financial assets | 4(b) | 2,019.27 | 247.83 |
| Other non-current assets | 6 | 6,001.93 | 2,508.97 |
| Total non-current assets | | 6,27,963.81 | 4,18,652.04 |
| Current assets | | | |
| Inventories | 7 | 4,01,285.40 | 6,06,700.59 |
| Financial assets | | | |
| i. Investments | 4(a)(ii) | 6,908.68 | 3,17,476.06 |
| ii. Trade receivables | 4(c) | 5,45,436.04 | 1,90,020.33 |
| iii. Cash and cash equivalents | 4(d) | 1,21,330.80 | 4,92,725.02 |
| iv. Bank balances other than cash and cash equivalents | 4(e) | 18,740.03 | 18,295.43 |
| v. Loans | 4(f) | 1.63 | 0.35 |
| vi. Other financial assets | 4(b) | 13,325.62 | 5,781.36 |
| Other current assets | 6 | 1,71,482.00 | 88,174.22 |
| Total current assets | | 12,78,510.20 | 17,19,173.36 |
| TOTAL ASSETS | | 19,06,474.01 | 21,37,825.40 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8(a) | 2,859.72 | 2,859.72 |
| Other equity | 8(b) | 8,21,120.71 | 6,09,765.66 |
| TOTAL EQUITY | | 8,23,980.43 | 6,12,625.37 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 9(a)(i) | 12,461.19 | 4,784.26 |
| ii. Lease liabilities | 2(b) | 1,479.56 | 1,884.21 |
| iii. Other financial liabilities | 9(c) | 7,088.77 | 4,911.29 |
| Deferred tax liabilities (net) | 5 | 81,047.38 | 15,832.90 |
| Provisions | 10 | 140.14 | - |
| Total non-current liabilities | | 1,02,217.04 | 27,412.66 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 9(a)(ii) | 3,83,916.38 | 5,49,089.36 |
| ii. Lease liabilities | 2(c) | 549.89 | 629.47 |
| iii. Trade payables | 9(b) | | |
| - total outstanding dues of micro and small enterprises | | 3.41 | 0.64 |
| - total outstanding dues of creditors other than micro and small enterprises | | 5,36,401.24 | 8,62,638.19 |
| iv. Other financial liabilities | 9(b) | 29,426.84 | 44,782.59 |
| Provisions | 10 | 8,725.93 | 7,812.35 |
| Current tax liabilities (net) | 11 | 11,811.91 | 14,546.27 |
| Other current liabilities | 12 | 9,440.94 | 18,288.50 |
| Total current liabilities | | 9,80,276.54 | 14,97,787.37 |
| Total liabilities | | 10,82,493.58 | 15,25,200.03 |
| TOTAL EQUITY AND LIABILITIES | | 19,06,474.01 | 21,37,825.40 |

The accompanying notes are an integral part of these Consolidated financial statements. As per our report of even date.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Geetha Jeyakumar
Partner
Membership No : 029409

Place : Chennai
Date : 20 June 2023

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

U.S. Awasthi
Director
DIN: 00026019

Girish Kumar
Company Secretary
Place: New Delhi
Date : 20 June 2023

P.S. Gahlaut
Managing Director
DIN: 00049401

Sudhir Bhargava
Director
DIN: 00247515

R. Srinivasan
Chief Financial Officer



INDIAN POTASH LIMITED

Consolidated statement of profit and loss for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Note | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 13 | 33,32,303.87 | 18,50,353.31 |
| Other income | 14 | 18,959.40 | 16,231.66 |
| Total income | | 33,51,263.27 | 18,66,584.97 |
| Expenses | | | |
| Cost of materials consumed | 15 | 1,51,051.18 | 1,17,218.42 |
| Purchases of stock-in-trade | | 26,23,405.25 | 17,86,463.07 |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods | 16 | 2,05,224.14 | (3,41,847.66) |
| Employee benefits expense | 17 | 11,398.42 | 9,750.48 |
| Depreciation and amortisation expense | 18 | 4,769.05 | 4,638.80 |
| Other expenses | 19 | 2,33,065.91 | 2,01,019.79 |
| Finance costs | 20 | 69,578.19 | 11,814.95 |
| Total expenses | | 32,98,492.14 | 17,89,057.85 |
| Profit before share of net profits of investments accounted for using equity method and tax | | 52,771.13 | 77,527.12 |
| Share of net profits of investments accounted for using equity method | 30 | 2,17,996.65 | 1,25,686.05 |
| Impairment loss/ reversal of impairment on investment in associate company | 30 | - | - |
| Profit before tax | | 2,70,767.78 | 2,03,213.17 |
| Income tax expense | 21 | | |
| Current tax | | 26,546.24 | 23,055.00 |
| Deferred tax | | 56,779.59 | 18,393.27 |
| Total tax expense | | 83,325.83 | 41,448.27 |
| Profit for the year | | 1,87,441.95 | 1,61,764.90 |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss: | | | |
| Debt instruments through other comprehensive income | 8(b) | (527.27) | (313.27) |
| Exchange difference on translation on foreign operations | 8(b) | 31,760.31 | 2,129.69 |
| Income tax relating to items that may be reclassified to profit or loss(FVOCI) | | (8,577.46) | (254.00) |
| | | 22,655.42 | 1,562.42 |
| Items that will not be reclassified to profit or loss: | | | |
| Gain/ losses on equity instruments at fair value through other comprehensive income (FVTOCI) | 8(b) | (486.55) | (490.53) |
| Remeasurements of post-employment benefit obligations | 8(b) | (108.31) | 157.32 |
| Share of other comprehensive income of associate accounted using equity method | 8(b) | 1,135.32 | 30.55 |
| Income tax relating to items that will not be reclassified to profit or loss | | 142.58 | 66.61 |
| | | 683.04 | (236.05) |
| Total other comprehensive Income, net of tax | | 23,338.46 | 1,326.37 |
| Total comprehensive income for the year, net of tax | | 2,10,780.41 | 1,63,091.27 |
| Earnings per equity share | 22 | | |
| Basic (in Rs.) | | 655.46 | 565.67 |
| Diluted (in Rs.) | | 655.46 | 565.67 |

The accompanying notes are an integral part of these Consolidated financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

P.S.Gahlaut
Managing Director
DIN: 00049401

Geetha Jeyakumar
Partner
Membership No : 029409

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : Chennai
Date : 20 June 2023

Girish Kumar
Company Secretary

R. Srinivasan
Chief Financial Officer

Place: New Delhi
Date : 20 June 2023



Consolidated statement of changes in equity for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

a. Equity share capital

| Particulars | Note | |
|--|------|-----------------|
| Balance as at 1 April 2021 | | 2,859.72 |
| Changes in equity share capital during 2021-22 | 8(a) | - |
| Balance as at 31 March 2022 | | 2,859.72 |
| Changes in equity share capital during 2022-23 | 8(a) | - |
| Balance as at 31 March 2023 | | 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 comprehensive income | Equity instrument through other comprehensive income | Foreign Currency translation reserve | |
| Opening balance as at 1 April 2021 | 7,762.49 | 41,557.02 | 3,87,409.40 | 143.30 | 5,638.72 | 925.88 | 4,381.46 | 4,47,818.27 |
| Profit for the year | - | - | 1,61,764.90 | - | - | - | - | 1,61,764.90 |
| Other comprehensive income /Losses (net of tax) | - | - | 143.03 | - | (201.82) | (379.08) | 1,764.24 | 1,326.37 |
| Total comprehensive income for the year | - | - | 1,61,907.93 | - | (201.82) | (379.08) | 1,764.24 | 1,63,091.27 |
| Transfer to Molasses Storage Facility Reserve Fund (Refer Note 8(b)) | - | - | (16.34) | 16.34 | - | - | - | - |
| Final dividend | - | - | (1,143.89) | - | - | - | - | (1,143.89) |
| Closing balance as at 31 March 2022 | 7,762.49 | 41,557.02 | 5,48,157.10 | 159.64 | 5,436.90 | 546.80 | 6,145.70 | 6,09,765.65 |
| Opening balance as at 1 April 2022 | 7,762.49 | 41,557.02 | 5,48,157.10 | 159.64 | 5,436.90 | 546.80 | 6,145.70 | 6,09,765.65 |
| Profit for the year | - | - | 1,87,441.95 | - | - | - | - | 1,87,441.95 |
| Other comprehensive income /Losses (net of tax) | - | - | 999.75 | - | (517.14) | (316.71) | 23,173.12 | 23,338.62 |
| Total comprehensive income for the year | - | - | 1,88,441.70 | - | (517.14) | (316.71) | 23,173.12 | 2,10,780.57 |
| Acquisition of Dhenkanal unit (Refer Note 35) | 2,290.32 | - | - | - | - | - | - | 2,290.32 |
| Molasses Storage Facilities Reserve Fund (Refer Note 8(b)) | - | - | 13.34 | 13.34 | - | - | - | - |
| Final dividend | - | - | (1,715.83) | - | - | - | - | (1,715.83) |
| Closing balance as at 31 March 2023 | 10,052.81 | 41,557.02 | 7,34,869.63 | 172.98 | 4,919.36 | 230.09 | 29,318.82 | 8,21,120.71 |

The accompanying notes are an integral part of these Consolidated financial statements. As per our report of even date.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Geetha Jeyakumar
Partner
Membership No : 029409

Place : Chennai
Date : 20 June 2023

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

U.S.Awasthi
Director
DIN: 00026019

Girish Kumar
Company Secretary

Place: New Delhi
Date : 20 June 2023

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 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 2,70,767.78 | 2,03,213.17 |
| Adjustments for | | |
| Depreciation and amortisation expense | 4,769.05 | 4,638.80 |
| Finance costs | 69,578.19 | 11,814.95 |
| Unrealised difference on translation of assets and liabilities | 209.72 | (221.71) |
| Provision for doubtful trade and other receivables, loans and advances | (6,319.77) | (4,801.59) |
| Share of profits of associate | (2,17,996.65) | (1,25,686.05) |
| Provision for GST receivable | - | 15,000.00 |
| Dividend income | (7.89) | - |
| Interest Income on financial assets | (7,180.06) | (7,256.13) |
| Provision no longer required written back | 1,053.72 | - |
| Net fair value gains on financial assets measured at fair value through profit or loss | - | (186.68) |
| Profit on sale of investment, net | (10,305.80) | (5,978.73) |
| Profit on sale of fixed assets, net | 392.95 | (220.61) |
| Operating profit before working capital changes | 1,04,961.24 | 90,315.42 |
| Change in operating assets and liabilities | | |
| Decrease / (Increase) in trade receivables | (3,48,918.57) | 1,20,707.66 |
| Decrease / (Increase) in loans | (1.28) | 0.37 |
| Decrease/ (Increase) in other financial assets | (9,315.70) | 452.78 |
| Decrease/ (Increase) in other non-current assets | - | - |
| (Increase) in other current assets | (86,891.61) | (60,963.24) |
| Decrease / (Increase) in inventories | 2,05,415.19 | (3,43,490.82) |
| (Decrease) / Increase in trade payables | (3,26,561.72) | 6,22,064.34 |
| (Decrease) / Increase in other financial liabilities | (11,423.47) | 11,957.15 |
| (Decrease) / Increase in other non-current liabilities | (15,727.31) | (2,800.40) |
| Decrease / (Increase) in employee benefit obligations | 31.83 | (229.85) |
| Cash generated from/ (used in) operations | (4,88,431.40) | 4,38,013.41 |
| Less: Income taxes paid | (23,030.80) | (18,055.80) |
| Net cash inflow/ (outflow) from operating activities | (5,11,462.20) | 4,19,957.61 |
| Cash flow from investing activities: | | |
| Payments for property, plant and equipment, intangible assets and capital work in progress | (24,372.33) | (9,197.00) |
| Sale proceeds of property, plant and equipment | 218.75 | 229.06 |
| Proceeds from sale of current investments | (4.50) | (29,676.82) |
| Purchase of current investments | 3,38,599.28 | 28,89,547.48 |
| Bank deposits made | - | (31,62,968.75) |
| Dividends received from mutual funds | (444.60) | (11,409.71) |
| Dividend received from associate company | 49,490.17 | 4,658.20 |
| Interest received on financial assets | 7,509.94 | 5,773.81 |
| Net cash (used in)/ from investing activities | 3,70,996.71 | (3,13,043.73) |



INDIAN POTASH LIMITED

Consolidated statement of cash flows for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated CIN: U14219TN1955PLC000961

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--------------------------------|--------------------------------|
| Cash flow from financing activities | | |
| Repayment of long term borrowings | 7,676.93 | (11,344.75) |
| (Repayment of)/ Proceeds from short term borrowings and cane bills payable to banks | (1,66,927.80) | 2,94,687.81 |
| Principal portion of lease payments | (484.23) | (615.33) |
| Dividend on shares | (1,715.83) | (1,124.28) |
| Finance costs paid | (69,568.73) | (11,490.60) |
| Net cash (used in)/ from financing activities | (2,31,019.66) | 2,70,112.85 |
| Net increase/(decrease) in cash and cash equivalents | (3,71,485.15) | 3,77,026.73 |
| Cash and cash equivalents at the beginning of the financial year | 4,92,725.02 | 1,15,629.28 |
| Effects of exchange rate changes on cash and cash equivalents | 90.93 | 69.01 |
| Cash and cash equivalents at the end of the year | 1,21,330.80 | 4,92,725.02 |
| Reconciliation of cash and cash equivalents as per statement of cash flows: | As at 31 March 2023 | As at 31 March 2022 |
| Cash and cash equivalents (refer note 4(d)) | 1,21,330.80 | 4,92,725.02 |
| Balances as per statement of cash flows | 1,21,330.80 | 4,92,725.02 |

The accompanying notes are an integral part of these consolidated financial statements. As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

For and on behalf of the Board of Directors
Indian Potash Limited

Pankaj Kumar Bansal
Chairman
DIN: 05197128

P.S.Gahlaut
Managing Director
DIN: 00049401

Geetha Jeyakumar
Partner
Membership No : 029409

U.S.Awasthi
Director
DIN: 00026019

Sudhir Bhargava
Director
DIN: 00247515

Place : Chennai
Date : 20th June 2023

Girish Kumar
Company Secretary

R. Srinivasan
Chief Financial Officer

Place: New Delhi
Date : 20th June 2023

Notes to consolidated financial statements as at and for the year ended March 31, 2023**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 subsidiary (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, Distillery Products, Bio-CNG 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 Group 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 Consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, 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 consolidated financial statements as at and for the year ended March 31, 2023

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.

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 subsidiary. 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 Consolidated 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 2023 | 31 March 2022 |
| IPL Sugars & Bio Fuels Limited (Formerly IPL Sugars and Allied Industries Limited) | India | 100% | 100% |

1.2.2 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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's 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

Business combinations are accounted for using the acquisition method, 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;

Notes to consolidated financial statements as at and for the year ended March 31, 2023

- 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.

Common control business combinations

The Group accounts for business combinations involving entities or businesses under common control using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The identity of the reserves are preserved and appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately.

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.

1.3. Use of estimates and judgements

Notes to consolidated financial statements as at and for the year ended March 31, 2023

In preparing these Consolidated 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 Consolidated financial statements.

- a. NRV - Expenses related to purchases like freight subsidy is adjusted for calculating the NRV
- b. 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 (including Sale of goods, principal vs agent considerations and Government Grant) | 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, except for certain arrangements, because it typically controls the goods before transferring them to the customer.

For certain arrangements, the Group acts as either as a principal or an agent. The role of the Group either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks, on a case to case basis. If the Group is a principal, gross revenue is recognised and if the Group is an agent, net revenue / commission is recognised.

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 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

Notes to consolidated financial statements as at and for the year ended March 31, 2023

collectability of consideration is probable. The Group applies 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 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.

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.

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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.

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

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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 Group's fertilizers are stored in various ports in the form of heaps. The same is verified and measured

Notes to consolidated financial statements as at and for the year ended March 31, 2023

by independent surveyors. Stocks are stored with CFA agents and the availability of the same has been confirmed by them. The Group appoints surveyors to estimate the inventories based on volumetric analysis and density of the stock.

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. 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 or 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

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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 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

Notes to consolidated financial statements as at and for the year ended March 31, 2023**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 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

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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 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 recognised in other comprehensive income and accumulated in a separate reserve within equity.

1.18. Earnings per equity share**(i) Basic earnings per share**

Notes to consolidated financial statements as at and for the year ended March 31, 2023**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
- 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 subsidiary 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.

Notes to consolidated financial statements as at and for the year ended March 31, 2023**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.

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 Gratuity Fund Trust ('the Trust') and to "Indian Potash Non-executive Gratuity Fund Trust ('the Trust')". Trustees of the fund administrator makes contributions to the Trusts and contribution are invested in a scheme with SBI Life Insurance Group 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 Group Limited.

1.20.3.3. Provident fund

Eligible employees of Indian Potash Limited receive benefits from a provident fund, which is a defined

Notes to consolidated financial statements as at and for the year ended March 31, 2023

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 Staff Provident Fund Trust ("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.

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 Company assesses the financial performance and position of the Group and makes strategic decisions. The board of directors has been identified as the chief operating decision maker. Refer note 26 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 Consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1.26. Code on Social security

The Code on Social Security, 2020 ("code") relating to employee benefits during the employment and post-employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The group will assess the impact of the code when it comes into effect and will record any related impact in the period the code becomes effective.

1.27. Recent regulatory updates and accounting pronouncements**a) Changes in accounting policies and disclosures****New and amended standards**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Notes to consolidated financial statements as at and for the year ended March 31, 2023**(i) Amendments to Ind AS 1: Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

(ii) Amendments to Ind AS 8: Accounting Policy, Changes in accounting estimates and errors

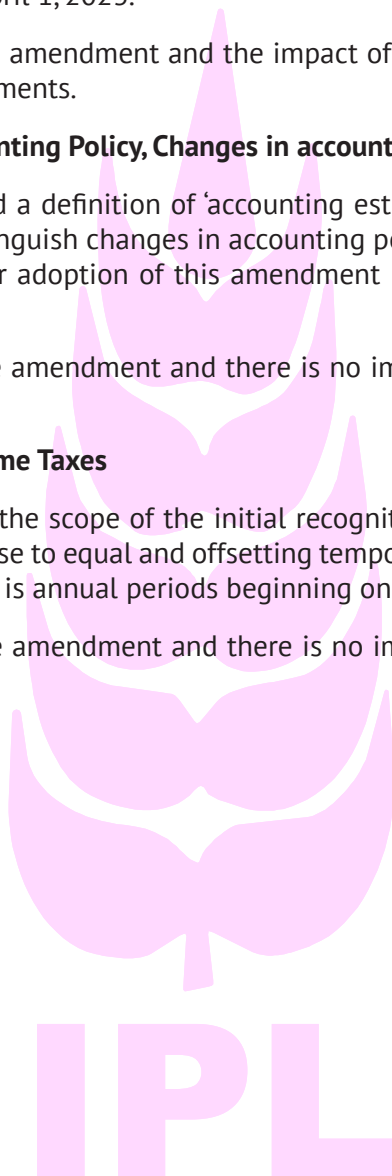
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and there is no impact on its Consolidated financial statements.

(iii) Amendments to Ind AS 12: Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the amendment and there is no impact on its consolidated financial statement.



Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2(a). Property, plant and equipment

| Particulars | Land - Freehold | Buildings | Plant and equipment | Furnitures and Fixtures | Vehicles | Office equipment and computers | AV Van and Equipment | Total |
|--|------------------|------------------|---------------------|-------------------------|---------------|--------------------------------|----------------------|--------------------|
| Year Ended 31 March 2022: | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| As at 1 April 2021 | 41,176.63 | 19,923.24 | 40,293.76 | 485.75 | 210.20 | 5,385.38 | 89.24 | 1,07,564.20 |
| Additions during the year | 629.67 | 87.05 | 3,544.62 | 204.64 | 45.95 | 230.54 | 0.65 | 4,743.12 |
| Disposals / adjustments | - | 79.79 | 437.27 | 0.23 | (9.43) | (12.50) | (8.67) | 486.69 |
| Transfers | - | - | - | - | - | - | - | - |
| As at 31 March 2022 | 41,806.30 | 20,090.08 | 44,275.65 | 690.62 | 246.72 | 5,603.42 | 81.22 | 1,12,794.01 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at 1 April 2021 | - | 3,341.01 | 13,218.98 | 308.49 | 91.63 | 3,510.82 | 39.65 | 20,510.58 |
| Depreciation charge during the year | - | 671.93 | 2,221.35 | 45.34 | 23.17 | 847.67 | 11.94 | 3,821.40 |
| Disposals / adjustments | - | 47.63 | 355.35 | 3.84 | (8.47) | (16.95) | (13.62) | 367.78 |
| As at 31 March 2022 | - | 4,060.57 | 15,795.68 | 357.67 | 106.33 | 4,341.54 | 37.97 | 24,699.76 |
| NET CARRYING AMOUNT | | | | | | | | |
| As at 31 March 2022 | 41,806.30 | 16,029.51 | 28,479.97 | 332.95 | 140.39 | 1,261.88 | 43.25 | 88,094.25 |
| Year ended 31 March 2023: | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| As at 1 April 2022 | 41,806.30 | 20,090.08 | 44,275.65 | 690.62 | 246.72 | 5,603.42 | 81.22 | 1,12,794.01 |
| Additions during the year | 1,075.28 | 5,690.20 | 13,917.53 | 561.85 | 23.99 | 971.11 | 19.32 | 22,259.28 |
| Acquisition of Dhenkanal unit (Refer Note (b)) | 7,771.27 | 2,583.00 | 5,962.98 | 1.14 | - | 100.75 | - | 16,419.14 |
| Disposals / adjustments | (29.76) | (15.55) | (949.26) | (11.02) | (10.33) | (46.80) | (12.82) | (1,075.54) |
| As at 31 March 2023 | 50,623.09 | 28,347.73 | 63,206.90 | 1,242.59 | 260.38 | 6,628.48 | 87.72 | 1,50,396.89 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| As at 1 April 2022 | - | 4,060.57 | 15,795.68 | 357.67 | 106.33 | 4,341.54 | 37.97 | 24,699.76 |
| Depreciation charge during the year | - | 827.05 | 2,857.70 | 65.91 | 24.99 | 353.33 | 10.35 | 4,139.33 |
| Disposals / adjustments | - | (5.92) | (402.99) | (7.98) | (9.25) | (43.22) | (12.19) | (481.55) |
| As at 31 March 2023 | - | 4,881.70 | 18,250.39 | 415.60 | 122.07 | 4,651.65 | 36.13 | 28,357.54 |
| NET CARRYING AMOUNT | | | | | | | | |
| As at 31 March 2023 | 50,623.09 | 23,466.03 | 44,956.51 | 826.99 | 138.31 | 1,976.83 | 51.59 | 1,22,039.35 |

Note:

- a) Refer Note 29 for additional disclosure.
- b) Freehold Land of Rs.7,771.27 Lakhs (including registration and other charges of Rs. 1,176.27 Lakhs) measuring 116.84 acres located at Dhenkanal district, Odisha represent land acquired from sakthi sugars Limited during 2022-23 pursuant to a business transfer agreement and the title deeds are transferred in the name of company through the conveyance deed executed on November 11, 2022. Refer Note 35
- c) Refer note 9(a) for information on property, plant and equipment pledged as security by the company.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2(b) Capital work-in-progress

| Particulars | As at 1 April 2022 | Expenditure incurred during the year | Capitalised during the year | Written off | Closing as at 31 March 2023 |
|-------------|--------------------|--------------------------------------|-----------------------------|-------------|-----------------------------|
| Amount | 15,730.44 | 8,998.82 | (22,259.28) | (24.06) | 2,445.92 |

| Particulars | As at 1 April 2021 | Expenditure incurred during the year | Capitalised during the year | Written off | Closing as at 31 March 2022 |
|-------------|--------------------|--------------------------------------|-----------------------------|-------------|-----------------------------|
| Amount | 9,289.55 | 11,184.01 | (4,743.12) | - | 15,730.44 |

A. Ageing of Capital work-in-progress

| Particulars | Amounts in capital work-in-progress for | | | | |
|-------------------------------------|---|-----------------|---------------|-------------------|------------------|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| As at 31 March 2023: | | | | | |
| (i) Projects in progress | 2,219.11 | 153.67 | - | - | 2,372.78 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 2,219.11 | 153.67 | - | - | 2,372.78 |
| As at 31 March 2022: | | | | | |
| (i) Projects in progress | 7,115.52 | 7,701.12 | 913.80 | - | 15,730.44 |
| (ii) Projects temporarily suspended | - | - | - | - | - |
| Total | 7,115.52 | 7,701.12 | 913.80 | - | 15,730.44 |

B. There are no projects under capital work-in-progress has exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

There are no projects under capital work-in-progress that whose completion is overdue or temporarily suspended as of 31 March 2023.

Details of projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to original plan as of 31 March 2022 are given below.

| Particulars | To be completed in | | | | |
|------------------------------------|--------------------|-------------|-------------|-------------------|------------------|
| | Less than one year | 1 – 2 years | 2 – 3 years | More than 3 years | Total |
| As at 31 March 2022 | | | | | |
| (i) Projects in progress | | | | | |
| Ahmedabad Office Buildings project | 2,004.28 | - | - | - | 2,004.28 |
| Distillery Project | 9,652.14 | - | - | - | 9,652.1 |
| Total | 11,656.42 | - | - | - | 11,656.42 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

2 (c) Right-of-use assets

| Particulars | Land | Buildings | Plant and Machinery | Total |
|--------------------------------------|-----------------|-----------------|---------------------|------------------|
| Balance as at 01 April 1,2021 | 8,259.15 | 435.18 | 328.41 | 9,022.74 |
| Additions during the year | - | 2,275.93 | - | 2,275.93 |
| Amortisation for the year | (196.28) | (475.47) | (106.51) | (778.26) |
| Disposals during the year | - | - | - | - |
| Balance as at 31 March, 2022 | 8,062.87 | 2,235.64 | 221.90 | 10,520.41 |
| Additions during the year | 1,336.82 | - | - | 1,336.82 |
| Amortisation for the year | (17.52) | (473.21) | (106.52) | (597.25) |
| Disposals during the year | - | - | - | - |
| Balance as at 31 March, 2023 | 9,382.17 | 1,762.43 | 115.38 | 11,259.98 |

(ii) Movement of Lease Liability

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Opening Balance | 2,513.68 | 853.04 |
| Lease Liabilities addition during the year | - | 2,275.93 |
| Lease Liabilities deletion during the year | - | - |
| Interest | 166.80 | 73.40 |
| Repayment of Lease Liability | (651.03) | (688.69) |
| Closing Balance | 2,029.45 | 2,513.68 |
| Expense relating to short-term leases and leases of low-value assets (included in other expenses - Refer Note 19) | 3,031.06 | 3,551.16 |

The total cash outflow for lease for the year ended 31 March 2023 was INR 651.85 (31 March 2022 : INR 688.73)

(I) Variable lease payments

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

(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.4,557.84 (31 March 2022: Rs.4,596.05) pertaining to the amount paid for leasehold land measuring 266 acres located at Motipur, Bihar. 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. In the meanwhile, the Company had filed an arbitration petition before High Court of Patna against BSSCL for recovery of the Company's losses as a result of the aforesaid proceedings. High Court of Patna appointed a sole arbitrator, who passed an order granting an award of INR 3,826.73 lakhs in favour of the Company. The Company has filed an execution petition before High Court of Patna to give effect to the award and the matter is still pending with the High Court. The lease agreement is yet to be registered in the name of the Company.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

3. Other Intangible assets

| Particulars | Computer software | Total |
|------------------------------------|-------------------|-----------------|
| Year ended 31 March 2022: | | |
| GROSS CARRYING AMOUNT | | |
| As at 1 April 2021 | 1,105.88 | 1,105.88 |
| Additions | 20.50 | 20.50 |
| Disposals | - | - |
| Balance as at 31 March 2022 | 1,126.38 | 1,126.38 |
| ACCUMULATED AMORTISATION | | |
| As at 1 April 2021 | 974.23 | 974.23 |
| Amortisation charge for the year | 39.14 | 39.14 |
| Balance as at 31 March 2022 | 1,013.37 | 1,013.37 |
| NET CARRYING AMOUNT | | |
| As at 31 March 2022 | 113.01 | 113.01 |
| Year ended 31 March 2023: | | |
| GROSS CARRYING AMOUNT | | |
| As at 1 April 2022 | 1,126.38 | 1,126.38 |
| Additions | 5.13 | 5.13 |
| Disposals | - | - |
| Balance as at 31 March 2023 | 1,131.51 | 1,131.51 |
| ACCUMULATED AMORTISATION | | |
| As at 1 April 2022 | 1,013.37 | 1,013.37 |
| Amortisation charge for the year | 32.48 | 32.48 |
| Balance as at 31 March 2023 | 1,045.85 | 1,045.85 |
| NET CARRYING AMOUNT | | |
| As at 31 March 2023 | 85.66 | 85.66 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4. Financial assets
4(a) Investments
4(a)(i) Non-current investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Investments measured at FVOCI | | |
| Investments in equity instruments (fully paid-up) | | |
| Quoted | | |
| 58,440 (31 March 2022: 58,440) equity shares of BSE Limited | 251.85 | 551.67 |
| | 251.85 | 551.67 |
| Unquoted | | |
| 2,66,75,000 (31 March 2022: 2,66,75,000) equity shares of Indian Commodity Exchange Limited | 1,867.25 | 2,053.98 |
| 1,00,000 (31 March 2022: 1,00,000) equity shares of Wisekey India Private Limited | 95.00 | 95.00 |
| Sub-total | 1,962.25 | 2,148.98 |
| Investments in Debt Instruments | | |
| Quoted | | |
| 75,500 (31 March 2022: 75,500) units of IRFC Tax Free Bonds - 2030 - 7.28% | 868.73 | 1,321.93 |
| 2,85,698 (31 March 2022: 2,85,698) units of NHA1 Tax Free Bonds - 2031 - 7.35% | 3,356.95 | 3,405.52 |
| 1,40,139 (31 March 2022: 1,40,139) units of HUDCO Tax Free Bonds- 2031 - 7.39% | 1,608.78 | 1,737.72 |
| | 5,834.46 | 6,465.16 |
| Investment in government securities - Measured at Amortised Cost | | |
| Unquoted | | |
| 104 (31 March 2022: 59) units of National Savings Certificate - VIII Issue (Face value: Rs.10,000) | 10.40 | 5.90 |
| 51 (31 March 2022: 51) units of National Savings Certificate - VIII Issue (Face value: Rs.5,000) | 2.55 | 2.55 |
| 15 (31 March 2022: 15) units of National Savings Certificate - VIII Issue (Face value: Rs.1,000) | 0.15 | 0.15 |
| 2 (31 March 2022: 2) units of National Savings Certificate - VIII Issue (Face value: Rs.500) | 0.01 | 0.01 |
| Nil (31 March 2022: 2) units of National Savings Certificate - VIII Issue (Face value: Rs.1000) | - | 2.00 |
| Sub-total | 13.11 | 10.61 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Investments in Debt Instruments - Measured at Amortised Cost | | |
| Quoted | | |
| 500 (31 March 2022 : 500) units of BOB Perpetual Bond - 8.50% | 5,000.00 | 5,000.00 |
| 560 (31 March 2022 : 560) units of BOB Perpetual Bond - 8.70% | 5,682.14 | 5,682.14 |
| 250 (31 March 2022 : 250) units of BOB Perpetual Bond - 8.25% | 2,516.31 | 2,516.31 |
| Nil (31 March 2022 : 25) units of Union Bank of India Perpetual Bond - 8.64% | - | 2,500.00 |
| 500 (31 March 2022: 500) units of BOB Perpetual Bond - 8.15% | 5,000.00 | 5,000.00 |
| Nil (31 March 2022 : 150) HDFC Perpetual Bond-8.85% | - | 5,533.55 |
| 550 (31 March 2022 : 550) Canara Bank Perpetual Bond - 8.5% | 5,533.55 | 1,541.35 |
| Nil (31 March 2022 : 250) SBI Perpetual Bond- 8.15% | - | 10,023.00 |
| 80 (31 March 2022 : 100) SBI Perpetual Bond - 7.72% | 8,018.40 | 10,022.00 |
| 10 (31 March 2022 : 100)SBI Perpetual Bond - 7.55% | 1,002.20 | 2,554.92 |
| | 32,752.60 | 50,373.27 |
| Total non-current investments | 40,814.27 | 59,549.70 |
| Aggregate amount of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 38,838.91 | 57,390.11 |
| Aggregate market value of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 38,838.91 | 57,587.43 |
| Aggregate amount of unquoted investments | 1,975.36 | 2,159.59 |
| Aggregate amount of impairment in the value of investments | - | - |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(a)(ii) Current investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Investments measured at FVTPL | | |
| Unquoted | | |
| Investments in mutual funds | - | 2,79,586.68 |
| | - | 2,79,586.68 |
| Investments measured at FVOCI | | |
| Investments in Debt Instruments | | |
| Quoted | | |
| Nil (31 March 2022: 3,72,40,000) units of Special Fertiliser Bonds - 2022 - 7.00% (quoted in Clearing Corporation of India Limited) | - | 37,889.33 |
| 50 (31 March 2022: Nil) units of Special Fertiliser Bonds- 2023 - 6.65% (quoted in Clearing Corporation of India Limited) | - | 0.05 |
| 250 (31 March 2022: Nil) Units of Mahindra & Mahindra Financial Services Ltd Zero Coupon Bond - 2023 | 6,908.68 | - |
| | 6,908.68 | 37,889.38 |
| Total current investments | 6,908.68 | 3,17,476.06 |
| Aggregate amount of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 6,908.68 | 37,889.38 |
| Aggregate market value of quoted investments (including quoted investments in Clearing Corporation of India Limited) | 6,908.68 | 37,889.38 |
| Aggregate amount of unquoted investments | - | 2,79,586.68 |
| Aggregate amount of impairment in the value of investment | - | - |

4(b) Other financial assets

(Unsecured, Considered good unless otherwise stated)

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|-----------------|---------------------|---------------|
| | Current | Non-current | Current | Non-current |
| Security deposits | 558.80 | 888.99 | 405.47 | 204.62 |
| Bank deposits with original maturity of more than twelve months | - | 1,130.28 | 814.37 | 43.21 |
| Advances to employees | 125.86 | - | 32.19 | - |
| Other advances | 0.29 | - | - | - |
| Interest accrued on deposits | 810.84 | - | 448.71 | - |
| Interest accrued on investments | 1,251.90 | - | 2,591.77 | - |
| Claims receivable* | 10,577.93 | - | 1,488.85 | - |
| Total | 13,325.62 | 2,019.27 | 5,781.36 | 247.83 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(b). Other financial assets (Continued)

* Claim received includes amount receivable from Amber fertilizer limited which supplies urea to IPL. During the year the Company has filed an Arbitration claim against Amber Fertilizer Limited. Company had entered into a contract with Amber fertilizer limited for purchase of urea and subsequently Amber fertilizer limited failed to Supply urea. Rs. 8,449 Lakhs has been accounted as claims receivable and an amount of Rs. 1,927 Lakhs is recorded as payable to Amber fertilizer limited which was due to invocation of Bank guarantee.

4(c) Trade receivables

(Unsecured, Considered good unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Trade receivables | | |
| (including subsidy receivables Rs. 4,21,044.80 (March 31, 2022: Rs.1,19,088.58)) | 5,73,663.92 | 2,19,094.37 |
| Less: Allowance for doubtful debts (including provision on subsidy receivables Rs. 3,121.70 (March 31, 2022: Rs.4,028.58)) | (28,227.88) | (29,074.04) |
| Total receivables | 5,45,436.04 | 1,90,020.33 |
| Non-current | - | - |
| Current | 5,45,436.04 | 1,90,020.33 |
| Breakup of security details | | |
| Trade receivables considered good - Unsecured | 5,43,838.58 | 1,88,422.87 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | 1,597.46 | 1,597.46 |
| | 5,73,663.92 | 2,19,094.37 |
| Allowance for credit loss | (28,227.88) | (29,074.04) |
| Net trade receivables | 5,45,436.04 | 1,90,020.33 |

| The movement in allowances for credit loss is as follows: | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Opening balance | 29,074.03 | 33,875.62 |
| Reversal | (846.16) | (4,801.59) |
| Closing Balance | 28,227.88 | 29,074.03 |

1. 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.
2. There are no trade or other receivable which are either due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. Trade receivables other than subsidy receivable are non-interest bearing and are generally on terms of 15 to 30 days.
4. Refer note 9 (a)(ii) for information on trade receivables pledged as security by the Company."
5. Refer Note 25 for related party disclosure.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(c). Trade receivables (Continued)

| Particulars | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|--------------------|---------------------|--|-----------------|------------------|-----------------|-------------------|--------------------|
| | | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2023 | | | | | | | | |
| Undisputed trade receivables | | | | | | | | |
| – considered good * | 2,33,081.30 | 69,367.01 | 1,96,049.95 | 9,994.81 | 34,308.23 | 2,791.35 | 16,666.23 | 5,62,258.88 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | 1,597.46 | 1,597.46 |
| Disputed trade receivables | | | | | | | | |
| – considered good * | - | - | - | - | - | - | 9,807.58 | 9,807.58 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Total | 2,33,081.30 | 69,367.01 | 1,96,049.95 | 9,994.81 | 34,308.23 | 2,791.35 | 28,071.27 | 5,73,663.92 |

| Particulars | Unbilled | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|--|--------------------|---------------------|--|-----------------|-----------------|-----------------|-------------------|--------------------|
| | | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022 | | | | | | | | |
| Undisputed trade receivables | | | | | | | | |
| – considered good * | 1,22,593.10 | 42,087.82 | 20,637.73 | 1,699.69 | 4,641.53 | 6,708.17 | 16,123.97 | 2,14,492.01 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | 1,597.46 | 1,597.46 |
| Disputed trade receivables | | | | | | | | |
| – considered good * | - | - | - | - | - | - | 3,004.90 | 3,004.90 |
| – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| – credit impaired | - | - | - | - | - | - | - | - |
| Total | 1,22,593.10 | 42,087.82 | 20,637.73 | 1,699.69 | 4,641.53 | 6,708.17 | 20,726.33 | 2,19,094.37 |

* Before ECL losses

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

4(d) Cash and cash equivalents

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Bank balances in current accounts* | 97,738.65 | 29,783.97 |
| Bank balances in EEFC accounts | 3,569.01 | 2,178.75 |
| Bank deposits with maturity of less than three month | 19,999.99 | 4,60,731.74 |
| Cash on hand | 23.15 | 30.56 |
| Total Cash and cash equivalents | 1,21,330.80 | 4,92,725.02 |

Note :

*Bank balances in current accounts includes Rs. 160.78 lakhs (31 March 2022: Nil) held in a separate bank account for unspent ongoing CSR Projects.

4(e) Bank balances other than cash and cash equivalents

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Bank balances in dividend accounts (Refer Note 9c) | 100.00 | 67.93 |
| Bank deposits with original maturity of more than 3 months and less than 12 months | 18,467.05 | 17,964.91 |
| | 172.98 | 262.59 |
| Molasses storage fund deposit account # | 18,740.03 | 18,295.43 |
| # Also, refer Note 8(b) below | 172.98 | 262.59 |
| Deposits earmarked against Molasses Storage Facility Reserve Fund | 27.73 | 27.73 |
| Deposits under lien with Pollution Control Boards | 580.11 | 577.69 |
| Other lien marked deposits | | |

4(f) Loans

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Unsecured and considered good | | |
| Loans to employees | 1.63 | 0.35 |
| | 1.63 | 0.35 |
| Breakup of security details: | | |
| Loans considered good - Unsecured | 1.63 | 0.35 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| | 1.63 | 0.35 |
| Allowance for credit loss | - | - |
| Net loans | 1.63 | 0.35 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

5. Deferred tax (liabilities) / assets, net

(See accounting policy in Note 1.20)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Deferred tax assets: | | |
| Provision for compensated absences | 212.07 | 107.37 |
| Provision for doubtful trade receivables | 19,805.44 | 19,050.32 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 170.80 | 959.07 |
| Others [including lease liabilities (net of ROU)] | 79.31 | 16.47 |
| Total of Deferred tax assets | 20,267.62 | 20,133.23 |
| Deferred tax liabilities : | | |
| On difference between book balance and tax balance of fixed assets | 4,204.60 | 3,497.15 |
| On reserve for debt and equity instruments through OCI | 1,590.48 | 1,767.11 |
| On exchange difference on translation on foreign operations | 9,860.24 | 1,273.05 |
| On share of net profits of investments accounted for using equity method | 85,659.68 | 29,428.82 |
| Total of Deferred Tax Liabilities | 1,01,315.00 | 35,966.13 |
| Deferred tax (liabilities) / assets (net) | (81,047.38) | (15,832.90) |

| Movement in deferred tax assets / (liabilities) | Opening balance | Recognised / (charged) in profit or loss | Recognised in Other Comprehensive Income | Closing balance |
|--|-----------------|--|--|-----------------|
| For the year 2022-23 : | | | | |
| Deferred tax (liabilities) / asset in relation to: | | | | |
| Provision for compensated absences | 107.37 | 104.70 | - | 212.07 |
| Provision for doubtful assets | 19,050.32 | 755.12 | - | 19,805.44 |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | 959.07 | (815.53) | 27.26 | 170.80 |
| Others [including lease liabilities (net of ROU)] | 16.47 | 62.84 | - | 79.31 |
| Property, plant and equipment | (3,497.15) | (707.45) | - | (4,204.60) |
| Debt and equity instruments through OCI | (1,767.11) | - | 176.56 | (1,590.55) |
| On share of net profits of investments accounted for using equity method | (29,428.82) | (56,179.34) | (51.52) | (85,659.68) |
| On Foreign currency translation reserve | (1,273.05) | - | (8,587.19) | (9,860.24) |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

5. Deferred tax (liabilities) / assets, net (Continued)

| Movement in deferred tax assets / (liabilities) | Opening balance | Recognised / (charged) in profit or loss | Recognised in Other Comprehensive Income | Closing balance |
|--|-----------------|--|--|-----------------|
| For the year 2021-22: | | | | |
| Deferred tax (liabilities) / asset in relation to: | | | | |
| Provision for compensated absences | 173.99 | (66.62) | - | 107.37 |
| Provision for doubtful assets | 16,287.42 | 2,762.90 | - | 19,050.32 |
| Disallowances under Section 40(a) (i), 43B of the Income Tax Act, 1961 | 989.90 | 8.76 | (39.59) | 959.07 |
| Others [including lease liabilities - (net of ROU)] | 25.29 | (8.82) | - | 16.47 |
| Property, plant and equipment | (3,176.80) | (320.42) | - | (3,497.22) |
| Debt and equity instruments through OCI | (1,989.93) | - | 222.89 | (1,767.04) |
| On share of net profits of investments accounted for using equity method | (8,654.50) | (20,769.08) | (5.24) | (29,428.82) |
| On Foreign currency translation reserve | (907.60) | - | (365.45) | (1,273.05) |

6. Other assets

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | Current | Non-current | Current | Non-current |
| Unsecured and considered good | | | | |
| Capital advances | - | 6,001.93 | - | 2,508.97 |
| Advance to suppliers | | 24,238.06 | - | 13,487.99 |
| Balances with statutory authorities | | | | |
| Goods and services tax | 1,45,728.86 | - | 73,993.13 | - |
| (Net of provision Rs. 4500 Lakhs, [March 31, 2022: Rs. 4500 Lakhs]) | | | | |
| - Others | 1,111.82 | - | 378.56 | - |
| Prepaid expenses | 403.26 | - | 314.54 | - |
| Other advances | - | - | - | - |
| Total | 1,71,482.00 | 6,001.93 | 88,174.22 | 2,508.97 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

7. Inventories*

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Raw materials | 2,069.53 | 1,643.07 |
| Packing Materials | 1,433.15 | 2,466.38 |
| Work-in-progress | 3,469.76 | 3,072.35 |
| Finished goods (other than those acquired for trading) | 83,554.50 | 83,462.03 |
| Stock-in-trade (acquired for trading)# | 3,09,256.66 | 5,14,970.68 |
| Stores and spares | 1,501.80 | 1,086.08 |
| | 4,01,285.40 | 6,06,700.59 |
| # Includes Goods in transit | 90,425.43 | 85,955.13 |

A possible reasonable change in the estimates is not expected to have a significant impact on the amounts recognised as the same would be recovered from the agent who is managing the inventory. The cost of inventories recognised as an expense in 'Purchases of stock-in-trade' and 'Changes in inventories of work-in-progress, stock-in-trade and finished goods' includes Rs. 9,201.24 (31 March 2022:Rs 64,131.23) in respect of write down of inventories to net realisable value.

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

*Raw Material, Packing Material, Work-in-progress, stores and spares are valued at cost, and Stock-in-trade (acquired for trading) & Finished goods (other than those acquired for trading) are valued at cost or NRV whichever is lower.

8(a). Equity share capital

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Authorised 6,12,00,000 (31 March 2022: 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 (31 March 2022: 2,85,97,200) equity shares of Rs 10/- each, fully paid up | 2,859.72 | 2,859.72 |
| | 2,859.72 | 2,859.72 |

(i) Movement in equity share capital

| Particulars | 31 March 2023 | | 31 March 2022 | |
|------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8 (a). Equity share capital (Continued)

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 | 31 March 2023 | | 31 March 2022 | |
|---|---------------|--------------------|---------------|--------------------|
| | 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 |

(iv) The Company has no promoters based on the annual return filed with Registrar of Companies. Consequently, this disclosure relating to details of shareholding of promoters is not applicable.

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the Financial year 2018-19, Pursuant to the decision taken by the Board of Directors of the Company at their meeting held on 28 May 2018 and approval accorded by the shareholders at the Annual General Meeting held on 16 August 2018 for allotment of bonus shares 1,42,98,600 Nos in the ratio 1:1 (i.e. one fully paid up share of Rs.10 each for each fully paidup share of Rs.10 held) to the members of the Company whose names appear in the Register of Members on 11 September 2018.

8(b). Reserves and surplus

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Capital reserve | 10,052.81 | 7,762.49 |
| General reserve | 41,557.02 | 41,557.02 |
| Retained earnings | 7,34,869.63 | 5,48,157.10 |
| Molasses Storage Facility Reserve Fund | 172.98 | 159.64 |
| Reserve for debt instruments through OCI | 4,919.36 | 5,436.90 |
| Reserve for equity instruments through OCI | 230.09 | 546.80 |
| Foreign currency translation reserve | 29,318.82 | 6,145.70 |
| | 8,21,120.71 | 6,09,765.66 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Reserves and surplus (Continued)

| | | |
|---|------------------|------------------|
| (i) Capital reserve | | |
| Opening balance | 7,762.49 | 7,762.49 |
| Movements on acquisition of Dhenkanal Unit(Refer Note 35) | 2,290.32 | - |
| Closing balance | 10,052.81 | 7,762.49 |
| (ii) General reserve | | |
| Opening balance | 41,557.02 | 41,557.02 |
| Movements | - | - |
| 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 | 5,48,157.10 | 3,87,409.40 |
| Profit attributable to owners of the Company | 1,87,441.95 | 1,61,764.90 |
| Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax | (135.57) | 143.03 |
| Share of other comprehensive income of associate accounted using equity method | 1,135.32 | - |
| Final dividend | (1,715.83) | (1,143.89) |
| Transferred to Molasses Storage Facility Reserve Fund | (13.34) | (16.34) |
| Closing balance | 7,34,869.63 | 5,48,157.10 |

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|------------------------|------------------------|
| Opening Balance | 159.64 | 143.3 |
| Transferred from Retained Earnings | 13.34 | 16.34 |
| Closing Balance | 172.98 | 159.64 |

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 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

8(b). Reserves and surplus (Continued)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| (v) Reserve for debt instruments through OCI | | |
| Opening balance | 5,436.90 | 5,638.72 |
| Changes in fair value of debt instruments | (527.27) | (313.27) |
| Deferred tax on the above | 9.73 | 111.45 |
| Closing balance | 4,919.36 | 5,436.90 |

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| (vi) Reserve for equity instruments through OCI | | |
| Opening balance | 546.80 | 925.88 |
| Changes in fair value of equity instruments | (486.55) | (490.53) |
| Deferred tax on the above | 142.58 | 111.45 |
| Closing balance | 202.83 | 546.80 |

The Group 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.

| | | |
|---|------------------|-----------------|
| (vii) Foreign currency translation reserve | | |
| Opening balance | 6,145.70 | 4,381.46 |
| Exchange difference on translation | 31,760.31 | 2,129.69 |
| Deferred tax on the above | (8,587.19) | (365.45) |
| Closing balance | 29,318.82 | 6,145.70 |

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

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Secured, at amortised cost | | |
| From a Bank | | |
| Term loans | 17,101.76 | 6,910.60 |
| Total non-current borrowings | 17,101.76 | 6,910.60 |
| Less: Current maturities of long-term debt [included in current borrowings] | (4,640.57) | (2,126.34) |
| Non-current borrowings | 12,461.19 | 4,784.26 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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 | December 2027 |
| Terms of Repayment | 19 quarterly installments |
| Installment amount | INR 526.31 |
| Rate of Interest | 8.35% per annum |
| Security | Mortgage on exclusive basis over land (around 148.14 acres) and building located at Village Haripur and Village Korian, of District Dhenkanal, Odisha in the name of the company. |

Term loan from Axis Bank*

| | |
|--------------------|---|
| Maturity date | September 2027 |
| Terms of Repayment | 17 quarterly installments |
| installment amount | INR 136.32 |
| Rate of Interest | 8.10% per annum |
| Security | Exclusive charge on the Fixed asset (movable / immovable) of the Greenfield Distillery project at Jaring, Nandol, District Kalahandi, Odisha. |

Term loan from HDFC Bank *

| | |
|--------------------|--|
| Maturity date | June 2025 |
| Terms of Repayment | 16 quarterly installments |
| Installment amount | INR 250 |
| Rate of Interest | 8.20% 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 253.50 |
| Rate of Interest | 8.20% 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 | 8.75 % per annum |
| Security | Exclusive charge on the Fixed assets of the Ethanol Plant/ Bio gas plant |

* Also refer note 2(a).

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(a) Borrowings (Continued)
9(a)(ii) Current borrowings

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Unsecured, at amortised cost | | |
| From Banks | | |
| Buyers' credit | - | 2,50,635.16 |
| Other working capital loans | - | 49,999.91 |
| Secured, at amortised cost | | |
| From banks | | |
| Buyers' credit | 3,79,275.81 | 2,46,327.95 |
| Other working capital loans | | - |
| Current maturities of long term debt | 4,640.57 | 2,126.34 |
| Total current borrowings | 3,83,916.38 | 5,49,089.36 |

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 days of availment. The facilities availed carry interest rates based upon SOFR plus agreed basis points with the bankers.
- (b) Other unsecured working capital loans comprise of :
 - (i) Short-term working capital loans from IDBI Bank aggregating to Rs. NIL (31 March 2022: Rs. 50,000) carrying interest rate at 4.34% p.a. was repaid during the year.
- (c) Unsecured buyers' credit availed from bank carrying interest rates based upon SOFR plus agreed basis points with the bankers was paid during the year and the amount outstanding as of 31 March 2023 was Rs. Nil (31 March 2022: 2,50,635.16)

Net Debt Reconciliation

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Cash and cash equivalents | 1,21,330.80 | 4,92,725.02 |
| Bank balances other than cash and cash equivalents | 18,740.03 | 18,295.43 |
| Current Borrowings | (3,79,275.81) | (5,46,963.02) |
| Non-current borrowings including current maturities | (17,101.76) | (6,910.60) |
| Net Debt | (2,56,306.74) | (42,853.17) |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(a) Borrowings (continued)
9(a)(ii) Current borrowings

| Particulars | Other assets | Liabilities from financing activities | | Total |
|--------------------------------------|------------------------------|---------------------------------------|----------------------|----------------------|
| | Cash and other bank balances | Non-current borrowings | Current borrowings | |
| Net Debt as at April 1, 2021 | 1,22,495.39 | (18,365.42) | (2,59,316.85) | (1,55,186.88) |
| Cash Flows | 3,88,525.06 | 11,344.75 | (2,87,860.18) | 1,12,009.63 |
| Foreign Exchange adjustments | - | - | (3,611.63) | (3,611.63) |
| Interest expense | - | (477.72) | (6,673.76) | (7,151.48) |
| Interest paid | - | 587.79 | 10,499.40 | 11,087.19 |
| Net Debt as at March 31, 2022 | 5,11,020.45 | (6,910.60) | (5,46,963.02) | (42,853.17) |
| Cash Flows | (3,70,949.62) | (10,082.23) | 2,14,630.02 | (1,66,401.83) |
| Foreign Exchange adjustments | - | - | (43,606.90) | (43,606.90) |
| Interest expense | - | (538.08) | (64,592.37) | (65,130.45) |
| Interest paid | - | 429.15 | 61,256.46 | 61,685.61 |
| Net Debt as at March 31, 2023 | 1,40,070.83 | (17,101.76) | (3,79,275.81) | (2,56,306.74) |

9 (b) . Other financial liabilities

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | Current | Non-current | Current | Non-current |
| Cane bills payable to Banks* | 17,604.07 | - | 19,358.87 | - |
| Interest accrued but not due | 4,001.04 | - | 575.02 | - |
| Unpaid dividends | 100.00 | - | 67.93 | - |
| Payables on purchase of PPE | 1,201.61 | - | 2,357.77 | - |
| Customer discounts | 2,150.14 | - | 13,774.46 | - |
| Employee benefits payable | 1,464.33 | - | 1,441.60 | - |
| Trade / security deposits received | 2,905.65 | 7,088.77 | 7,206.94 | 4,911.29 |
| Total Other financial liabilities | 29,426.84 | 7,088.77 | 44,782.59 | 4,911.29 |

*Represents amounts payable to the bank for payments made by the bank to farmers for cane supplied to the Company.

9(c) Trade payables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| Trade payables (Refer Note 25 for related party disclosure) | | |
| - total outstanding dues of micro and small enterprises# | 3.41 | 0.64 |
| - total outstanding dues of creditors other than micro and small enterprises* | 5,36,401.24 | 8,62,638.19 |
| Total Trade payables | 5,36,404.65 | 8,62,638.83 |

* Of the above trade payables, the Company has issued letter of credits aggregating to Rs. 4,27,891.99 (31 March 2022: Rs. 7,69,822.39)

Based on the confirmation circulated by the Group and provided by the suppliers.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

9(b) Trade payables (Continued)

| Particulars | Unbilled | Outstanding for following periods from the due date | | | | | Total |
|-----------------------------|------------------|---|-------------------|------------------|-----------------|-------------------|--------------------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2023 | | | | | | | |
| Undisputed trade payables | | | | | | | |
| Micro and small enterprises | - | 3.41 | - | - | - | - | 3.41 |
| Others | 8,702.85 | 3,89,394.13 | 1,379.06 | 96,231.63 | 7,332.21 | 33,361.37 | 5,36,401.24 |
| Disputed trade payables | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | 8,702.85 | 3,89,397.54 | 1,379.06 | 96,231.63 | 7,332.21 | 33,361.37 | 5,36,404.65 |
| As at 31 March 2022 | | | | | | | |
| Undisputed trade payables | | | | | | | |
| Micro and small enterprises | - | 0.64 | - | - | - | - | 0.64 |
| Others | 31,389.24 | 8,13,860.99 | 1,948.88 | 9,096.40 | 2,313.90 | 4,028.77 | 8,62,638.19 |
| Disputed trade payables | | | | | | | |
| Micro and small enterprises | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - |
| Total | 31,389.24 | 8,13,861.63 | 1,948.88 | 9,096.40 | 2,313.90 | 4,028.77 | 8,62,638.83 |

10 Provisions

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---------------------|---------------|---------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Provisions for Employee Benefits | | | | |
| - Gratuity | 678.65 | - | 91.96 | - |
| - Compensated absences & Medical Leave | 702.49 | 140.14 | 426.61 | - |
| - Provident fund | 51.01 | - | - | - |
| Provisions for indirect tax litigations | 7293.78 | - | 7,293.78 | - |
| | 8,725.93 | 140.14 | 7,812.35 | - |

Movements in provisions are set out below:

| Particulars | Provisions on Tax litigations |
|--|-------------------------------|
| Balance as at 1 April 2021 | 7,293.78 |
| Charged / (credited to profit or loss) | - |
| Balance as at 31 March 2022 | 7,293.78 |
| Charged / (credited to profit or loss) | - |
| Balance as at 31 March 2023 | 7,293.78 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)
A Provisions for Gratuity

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: | Gratuity (Funded) | |
|---|-------------------|-----------------|
| | 31 March 2023 | 31 March 2022 |
| Interest cost | 254.08 | 229.28 |
| Current service cost | 214.16 | 216.78 |
| Expected return on plan assets | (248.87) | (225.38) |
| Total expense recognised in the Statement of Profit and Loss | 219.37 | 220.68 |
| Remeasurements: | | |
| Actuarial losses/ (gains) | | |
| - Demographic assumption changes in DBO | - | (1.21) |
| - Financial assumption changes in DBO | (118.66) | (133.05) |
| - Experience changes on DBO | 305.99 | (59.41) |
| Rate on Plan assets less than discount rate | (28.01) | 36.35 |
| Total expense recognised in the Other Comprehensive Income | 159.32 | (157.32) |
| Net defined benefit liability recognised in the balance sheet: | | |
| Present value of Defined benefit obligation (DBO) | 4,561.23 | 3,690.24 |
| Fair value of plan assets at the end of the year | 3,882.57 | 3,598.28 |
| Net defined benefit liability recognised in the balance sheet | (678.66) | (91.96) |
| Changes in the Defined Benefit Obligation (DBO) during the year: | | |
| Present value of DBO at the beginning of year | 3,690.24 | 3,650.86 |
| Interest cost | 254.08 | 229.28 |
| Current service cost | 214.16 | 216.78 |
| Actuarial (gains) / losses | 187.34 | (193.67) |
| Liabilities Transferred In /Acquisitions | 576.42 | - |
| Employees contribution | - | - |
| Benefits paid | (343.94) | (213.01) |
| Liabilities assumed / (settled) | (17.07) | - |
| Present value of DBO at the end of year | 4,561.23 | 3,690.24 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)

| Disclosure of Post employment benefits : | Gratuity (Funded) | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| Changes in the fair value of assets during the year: | | |
| Plan assets at beginning of year | 3,598.28 | 3,572.26 |
| Expected return on plan assets | 248.87 | 225.38 |
| Remeasurements due to actual return on plan assets less interest on plan assets | - | - |
| Actual company contributions | 351.34 | 50.00 |
| Employee contributions | - | - |
| Benefits paid | (343.93) | (213.01) |
| Assets acquired / (settled) | - | - |
| Actuarial gain / (loss) | 28.01 | (36.35) |
| Plan assets as at end of year | 3,882.57 | 3,598.28 |
| Current portion | 678.66 | 91.96 |
| Non-current portion | - | - |
| | 678.66 | 91.96 |
| Actuarial assumptions: | | |
| Discount Rate | 7.46% | 6.96% |
| Expected rate of salary Increase | 5.00% | 5.00% |
| Attrition Rate | 5.00% | 5.00% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| Experience adjustments | 2022-23 | 2021-22 |
| Present value of DBO | 4,561.23 | 3,690.24 |
| Fair value of plan assets | 3,882.57 | 3,598.28 |
| Funded status [Surplus / (Deficit)] | (678.66) | (91.96) |
| Experience gain / (loss) adjustments on plan liabilities | 187.33 | (192.46) |
| 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-23 | 31-Mar-22 | | 31-Mar-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 | |
| Discount rate | 1% | 1% | Decrease by | (218.80) | (192.43) | Increase by | 244.13 | 215.93 |
| Salary growth | 1% | 1% | Increase by | 228.28 | 198.28 | Decrease by | (210.33) | (181.21) |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)

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 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 2024 are INR 595.62 lakhs

The weighted average duration of the defined benefit obligation ranging upto 9 years (31 March 2021: 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 2023 | As at 31 March 2022 |
|--------------------------------------|------------------------|------------------------|
| Less than 1 year | 801.09 | 456.24 |
| Between 1 -2 years | 451.84 | 469.46 |
| Between 2-5 years | 1,076.52 | 830.32 |
| Over 5 years | 2,521.00 | 1,888.83 |
| Total | 4,850.45 | 3,644.85 |
| Major category of plan assets | | |
| Asset classification | | |
| Insurance Fund | 3,882.57 | 3,598.28 |

B Note on Provident Fund

With respect to employees, who are covered under Provident Fund Trust administered by the Company, the Company shall make good deficiency, if any in the interest rate declared by Trust over statutory limit. Having regards to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future. 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 is as set out below:

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

10. Provisions (Continued)
Fund and Plan Asset position as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Present Value of Benefit obligation at the end of the year | 7,701.53 | 7,039.16 |
| Fair value of Plan assets at the end of the year | 7,650.52 | 7,165.15 |
| (Surplus) / Deficit available | 51.01 | (125.99) |
| Liability recognised in Balance Sheet | 51.01 | - |

The Plan assets are primarily invested in government Securities, corporate bonds & Special deposit scheme

Assumptions for present value of interest rate guarantee are as follows

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------|------------------------|------------------------|
| Discount rate | 7.46% | 6.96% |
| Expected guarantee rate(%) | 8.15% | 8.10% |
| Attrition rate | 5% | 5% |

c) Compensated absences & Medical Leave (Unfunded)

The defined benefit obligations which are provided for but not funded are as under

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------|------------------------|------------------------|
| Compensated absences | | |
| -Non-Current | 140.14 | - |
| - Current | 702.49 | 426.61 |
| | 702.49 | 426.61 |

Actuarial assumptions:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|-------------------|---|---|
| Discount Rate | 7.46% | 6.96% |
| Salary Escalation | 5% | 5% |
| Attrition Rate | 5% | 5% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

11. Current tax liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Current tax assets | | |
| Advance tax and tax deducted at source | 2,37,373.54 | 2,08,092.94 |
| | 2,37,373.54 | 2,08,092.94 |
| Current tax liabilities | | |
| Income tax payable | 2,49,185.45 | 2,22,639.21 |
| | 2,49,185.45 | 2,22,639.21 |
| Net current tax (assets) / liabilities | 11,811.91 | 14,546.27 |

12. Other current liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Expenses payable | 0.74 | 0.69 |
| Statutory dues payables | 981.58 | 771.59 |
| Advances from customers | 8,458.62 | 17,516.22 |
| Total Other current liabilities | 9,440.94 | 18,288.50 |

The Group has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(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, Management believes that impact of the aforesaid judgement is not material to the consolidated financial statements.

13. Revenue from operations

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|------------------------------|--------------------------------|
| Sale of products | 18,05,323.45 | 11,51,101.77 |
| Less: Sales discounts | 23,369.56 | 45,643.37 |
| | 17,81,953.89 | 11,05,458.40 |
| Government subsidy | 14,87,293.84 | 6,66,268.74 |
| Revenue from Urea canalizing agent transactions (High sea sales) [Value of goods Less: Cost of value imported on Government Account Also refer note below*] | 8,44,752.88 (8,43,597.25) | 18,16,852.37 (18,14,794.34) |
| | 1,155.63 | 2,058.03 |
| Sale of services | 58,356.17 | 73,764.43 |
| Other operating revenues | 3,544.34 | 2,803.71 |
| Total revenue from operations | 33,32,303.87 | 18,50,353.31 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

13. Revenue from operations (Continued)

* For arrangements of import of Urea on Government Account, Company acts as a canalizing agent. The role of the Company either as an agent or a principal is determined based on evaluation of its role as a primary obligor, has the pricing latitude in the said arrangements, its exposure to inventory risks, on case to case basis. Net Income representing the trade margin is recognized as revenue as per the terms of agreement when such amounts become entitled.

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 26 - 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 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Sale of products comprises : | | |
| Manufactured goods | | |
| Sugar and by Products | 1,62,918.74 | 1,18,954.24 |
| Cattle feed Products | 1,481.50 | 3,422.80 |
| Milk & Milk Products | 8,232.11 | 5,830.33 |
| Single Super Phosphate | 1,714.93 | 1,484.79 |
| Total - Sale of manufactured goods | 1,74,347.28 | 1,29,692.16 |
| Traded goods | | |
| Muriate of Potash | 5,70,446.26 | 3,71,895.24 |
| Di Ammonium Phosphate | 5,45,632.42 | 3,57,788.67 |
| Urea | 1,68,962.57 | 1,46,710.52 |
| Complex Fertilisers | 2,89,627.84 | 1,06,651.59 |
| Others | 56,307.06 | 38,363.58 |
| Sales discounts | (23,369.56) | (45,643.37) |
| Total - Sale of traded goods | 16,07,606.61 | 9,75,766.23 |
| Government subsidy comprises: | | |
| Muriate of Potash | 2,14,736.36 | 90,589.63 |
| Di Ammonium Phosphate | 9,91,925.36 | 5,05,838.87 |
| Complex Fertilisers | 2,57,128.75 | 69,706.67 |
| Others | 23,503.37 | 133.57 |
| Total - of Subsidy | 14,87,293.84 | 6,66,268.74 |
| Other operating revenues | | |
| - Sale of scrap | 422.39 | 461.91 |
| - Packing charges recovered | 24.47 | 19.61 |
| - Amount received from suppliers/agents towards Shortages | 1,157.69 | 281.80 |
| - Dispatch / Demurrage (net) | 1,939.79 | 2,040.39 |
| Total Other operating revenues | 3,544.34 | 2,803.71 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

14. Other income

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest Income | | |
| - Interest income earned on financial assets that are not designated as at FVTPL | 269.31 | 71.58 |
| - Bank deposits (at amortised cost) | 1,478.13 | 1,124.50 |
| - Interest income from Debt instruments at FVTOCI | 5,432.62 | 6,060.05 |
| Dividend income | | |
| - Dividends from mutual funds | 7.89 | - |
| Profit on sale of fixed assets (net) | - | 220.61 |
| Net fair value gains on financial assets measured at fair value through profit or loss | - | 186.68 |
| Profit on sale of investments, net | 10,305.80 | 5,978.73 |
| Provision / liabilities no longer required, written back | - | - |
| Receipts towards insurance claims | 542.17 | 233.88 |
| Net gain on foreign currency transactions and translation | - | 1,794.58 |
| Miscellaneous income | 923.48 | 561.05 |
| Total Other income | 18,959.40 | 16,231.66 |

15. Cost of materials consumed

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Raw materials | | |
| Raw materials at the beginning of the year | 1,643.07 | 1,207.29 |
| Add: Purchases | 1,51,477.64 | 1,17,654.20 |
| Less: Raw materials at the end of the year | (2,069.53) | (1,643.07) |
| Total cost of materials consumed | 1,51,051.18 | 1,17,218.42 |
| Material consumed comprises: | | |
| Sugarcane | 1,17,331.67 | 78,715.25 |
| Others | 33,719.51 | 38,503.17 |
| Total Cost of materials consumed | 1,51,051.18 | 1,17,218.42 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Opening stock | | |
| Finished goods | 83,462.03 | 78,701.59 |
| Work in progress | 3,072.35 | 1,954.53 |
| Stock-in-trade | 5,14,970.68 | 1,79,001.28 |
| Total opening balance | 6,01,505.06 | 2,59,657.40 |
| Closing stock | | |
| Finished goods | (83,554.50) | (83,462.03) |
| Work in progress | (3,469.76) | (3,072.35) |
| Stock-in-trade | (3,09,256.66) | (5,14,970.68) |
| Total closing balance | (3,96,280.92) | (6,01,505.06) |
| Total changes in inventories of finished goods, work-in progress and stock in trade | 2,05,224.14 | (3,41,847.66) |

17. Employee benefit expenses

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 9,473.04 | 8,040.03 |
| Contribution to provident and other funds | 961.84 | 924.24 |
| Gratuity | 219.37 | 220.68 |
| Leave compensation | 375.33 | 317.37 |
| Staff welfare expenses | 368.84 | 248.16 |
| Total Employee benefit expenses | 11,398.42 | 9,750.48 |

18. Depreciation and amortisation expense

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Depreciation of tangible fixed assets | 4,139.32 | 3,821.40 |
| Amortisation of intangible fixed assets | 32.48 | 39.14 |
| Depreciation of right-of-use assets | 597.25 | 778.26 |
| Total Depreciation and amortisation expense | 4,769.05 | 4,638.80 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

19. Other expenses

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 6,957.49 | 3,417.42 |
| Power and fuel | 2,243.24 | 1,614.60 |
| Freight and Forwarding charges | 1,30,459.04 | 1,14,450.84 |
| Discharge & clearance expenses | 29,292.81 | 34,528.14 |
| Packing materials Consumed - indigenous | 22,995.00 | 21,928.71 |
| Godown Rent | 2,764.80 | 3,217.54 |
| Rent including lease rentals | 266.26 | 333.62 |
| Repairs and maintenance - Buildings | 408.32 | 550.71 |
| Repairs and maintenance - Machinery | 4,501.79 | 3,499.50 |
| Repairs and maintenance - Others | 1,253.92 | 1,059.94 |
| Restitching & Rebagging Charges | 1,056.06 | 804.08 |
| Storage & Transit Insurance | 1,906.80 | 776.83 |
| Rates and taxes | 2,393.22 | 15,409.76 |
| Communication | 180.27 | 178.16 |
| Travelling and conveyance | 574.17 | 351.73 |
| Printing and stationery | 77.47 | 67.76 |
| Business promotion | 779.26 | 358.48 |
| Legal and professional | 888.58 | 737.89 |
| Payments to auditors [Refer note 19 (a) below] | 72.78 | 81.77 |
| Corporate social responsibility expenses (Refer Note 19 (b) below) | 1,425.04 | 1,270.07 |
| Directors sitting fees and commission | 82.50 | 90.95 |
| Loss on fixed assets sold /written off | 392.95 | - |
| Provision for doubtful trade and other receivables, loans and advances | (6,319.77) | (4,801.59) |
| Net loss on foreign currency transactions and translation | 26,925.45 | - |
| Miscellaneous expenses | 1,488.46 | 1,092.88 |
| Total other expenses | 2,33,065.91 | 2,01,019.79 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

19(a) Details of payments to auditors:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Payment to auditors | | |
| As auditor: | | |
| Audit fee (including audit of Consolidated Financial Statements) | 32.00 | 35.00 |
| Tax audit fee | 4.00 | 7.00 |
| Goods and Services Tax audit fee | - | - |
| In other capacities: | | |
| Certification fees | 36.22 | 36.30 |
| Reimbursement of expenses | 0.56 | 3.47 |
| | 72.78 | 81.77 |

19(b) CSR expenditure

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Contribution to projects for rural development, skills development, healthcare, education and environmental conservation [including contribution to PM Cares fund - Rs 1.91 (Previous year: Nil)] | 378.30 | 527.97 |
| Accrual towards unspent obligations in respect to: | | |
| Ongoing project | 1,046.74 | 654.96 |
| Other than ongoing projects | - | 87.14 |
| Total | 1,425.04 | 1,270.07 |
| Amount required to be spent as per Section 135 of the Act | 1,342.63 | 1,177.28 |
| Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | 316.94 |
| (ii) On purposes other than (i) above | 378.30 | 211.03 |

Details of ongoing CSR projects under Section 135(6) of the Act

| Balance as at 1 April 2022 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at 31 March 2023 | |
|----------------------------|---------------------------------|---|---------------------------------|-----------------------------------|-----------------------------|---------------------------------|
| With the company | In separate CSR unspent account | | From the company's bank account | From separate CSR unspent account | With the company * | In separate CSR unspent account |
| 654.96 | - | 1,425.04 | 378.30 | 494.18 | 1,046.75 | 160.75 |

* The Company has transferred the unspent CSR amount to a separate CSR unspent account subsequent to the balance sheet date, within the statutory timelines. The balance unspent as at March 31, 2022 also includes Rs. 150.00 lakhs which has been contributed to an implementing agency, who has confirmed that amount is earmarked separately for ongoing projects.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | Year ended 31 March 2023 |
|---|-----------------------------|
| Balance unspent as at 1 April 2022 | 87.14 |
| Amount Spent for on-going project | (87.14) |
| Amount required to be spent during the year | - |
| Amount spent during the year | - |
| Balance unspent as at 31 March 2023 | - |

20. Finance Costs

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Interest on bank overdraft and loans | 21,523.55 | 4,234.00 |
| Interest on delayed remittance of income taxes | 26.50 | 403.41 |
| Interest expense on lease liability | 166.80 | 73.40 |
| Exchange difference regarded as an adjustment to borrowing costs | 43,606.90 | 3,611.63 |
| Other interest & bank charges | 4,254.44 | 3,492.51 |
| Total Finance Costs | 69,578.19 | 11,814.95 |

21. Income tax expense

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| A. Income tax expense recognized in Profit and Loss: | | |
| Current tax | 26,546.24 | 23,055.00 |
| Deferred tax | 56,779.59 | 18,393.27 |
| Total Income Tax expense recognized during the year | 83,325.83 | 41,448.27 |
| Income tax reconciliation: | | |
| Profit before tax | 2,70,767.78 | 2,03,213.17 |
| Applied tax rate | 25.17% | 25.17% |
| Income tax expense calculated at Applied Tax rate | 68,152.25 | 51,148.75 |
| Total income tax expense recognized during the year | 83,325.83 | 41,448.27 |
| Differential tax impact | 15,173.58 | (9,700.48) |
| Differential tax impact due to the following Tax benefits / (Tax expense) : | | |
| Tax on exempt Income | (92.75) | (92.75) |
| Interest on tax liability | 58.07 | 98.11 |
| Expenses not allowable, net | 867.13 | 241.53 |
| Change in tax rate on undistributed profits | 13,773.26 | - |
| Differential tax rate on undistributed profits | - | (9,796.02) |
| Others | 567.88 | (151.35) |
| Total | 15,173.58 | (9,700.48) |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

22. Earnings per share

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Profit attributable to the equity holders of the Company | 1,87,441.95 | 1,61,764.90 |
| 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.) | 655.46 | 565.67 |
| - Diluted (Rs.) | 655.46 | 565.67 |

23. Commitments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Capital commitments | | |
| Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows: | | |
| Property, plant and equipment | 7,889.60 | 666.22 |

24. Contingent liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| 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 | 12,731.75 | 11,148.52 |
| Disputed customs duty demand for which the Company has preferred an appeal before the CESTAT | 16,503.62 | 14,882.21 |
| Claims against the Company not acknowledged as debt - Disputed refunds relating to Goods and Services Tax | 22,786.69 | 20,200.87 |
| Claims against the Company not acknowledged as debt - Disputed dues relating to Other Indirect Tax cases | 939.04 | 939.04 |
| Disputed income tax demands contested in Appeals not provided for: | | |
| - Appeal pending before Commissioner of Income Tax (Appeals) for the AY 2014-15 | 12.63 | 12.63 |

- (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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

24. Contingent liabilities (Continued)

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, 2023 amounts to Rs. 45,367 Lakhs (March 31, 2022: Rs.14,652.73 Lakhs) The Company believes that it can successfully defend the case relating to refund eligible under rule 89(5).
- (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 an 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 responded to the queries raised by the authorities both through written form and also by way of personal appearance on various dates and there has not been any development in this matter since the last annual report of 2021-22. During the previous year, a writ petition has been filed before the Honourable High Court of Delhi for quashing / setting aside the said FIR and the matter is sub-judice.

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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

24. Contingent liabilities (Continued)

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.

(f) Deputy commissioner of Income tax (Central Circle-1, Delhi) has initiated assessment proceeding under section 153A of Income tax Act for Financial year 2011-12 to 2018-19 vide notice dated December 16, 2022. Pending completion of proceeding impact of the assessment on this financial Statement is not ascertainable as on the date of signing this Statement.

25. 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

Mr. R. Srinivasan, CFO

Dr. Girish Kumar, Company Secretary.

Other Directors

Shri. Sundeep Kumar Nayak, IAS, Chairman (Upto September 2022)

Shri. Pankaj Kumar Bansal, IAS, Chairman (From september 2022)

Dr. U. S. Awasthi, Director

Shri. Prem Chandra Munshi, Director

Shri. Dileep Sanghani, Director

Shri. Mukesh Puri, IAS

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

25. Related party transactions (Continued)

Shri. U. Saravanan
 Dr. Sunil Kumar Singh, Director
 Shri. Rahul Pandey, IFS
 Shri. S. C. Mudgerikar, Director (Upto May 2022)
 Shri. Rakesh Kapur, Director
 Shri. Pradyumna Srinivas Poojari, IAS, Director (Upto February 2023)
 Shri. Mallela Venkateswara Rao, Director
 Shri. Anumulapuri Sreenivas, Director
 Shri. Sudhakar Bapurao Telang, Director
 Shri. Sudhir Bhargava, Director
 Shri. Arvind Kumar Kadyan, Director
 Ms. Vandana Chanana, Director

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 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Remuneration and other benefits * | 223.83 | 189.80 |
| Directors sitting fees, commission and others | 82.50 | 90.95 |
| | 306.33 | 280.75 |

* 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 management personnel

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Investing party - Indian Farmers' Fertiliser Co-operative Limited (IFFCO) | | |
| Sale of goods | 2,43,178.22 | 1,06,810.40 |
| Insurance charges recovered | 90.76 | 32.52 |
| Service charges recovered | 63.73 | 79.95 |
| Discounts | 4,524.10 | 6,761.19 |
| Dividend paid | 524.88 | 349.92 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

C. Transactions with related parties other than key management personnel (Continued)

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited | | |
| Sale of services | 15.24 | 16.13 |
| Services availed | 2,810.20 | 1,387.40 |
| Subsidiary of IFFCO-IFFCO eBazar Limited | | |
| Sale of goods | 257.20 | 164.75 |
| Discounts | - | - |
| Subsidiary of IFFCO-Kisan International Trading FZE | | |
| Services availed | 341.13 | 1,125.67 |
| Despatch income | - | 13.73 |
| Associate company - Jordan Phosphate Mines Company | | |
| Purchases of goods | 16,169.39 | 30,590.17 |
| Dividend received | 49,482.28 | 4,658.20 |
| Subsidiary of Jordan Phosphate Mines Company-Nippon Jordan Fertilizers Company Limited | | |
| Purchases of goods | 3,221.25 | - |
| Indian Potash Limited Staff Provident Fund | | |
| Contribution to provident fund | 334.20 | 271.94 |
| Indian Potash Non-Executive Staff Gratuity Fund | | |
| Contribution to Gratuity Fund | 100.00 | 50.00 |
| Indian Potash Executive Staff Gratuity Fund | | |
| Contribution to Gratuity Fund | 100.00 | - |
| Indian Potash Senior Executive Staff Superannuation Fund | | |
| Contribution to Super Annuation Fund | 71.82 | 63.87 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

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

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Indian Farmers' Fertiliser Co-operative Limited (IFFCO) | | |
| Trade receivable (Sale of goods & services) | 18,084.60 | 3.11 |
| Customer Discounts Payable | 2,967.75 | 3,927.63 |
| Trade payables | 1,238.22 | - |
| Subsidiary of IFFCO-IFFCO-Tokio General Insurance Company Limited | | |
| Trade receivable | 1,165.57 | 1,423.12 |
| Trade Payable | 3.75 | 4.94 |
| Subsidiary of IFFCO-IFFCO eBazar Limited | | |
| Trade receivable | 9.84 | 35.09 |
| Subsidiary of IFFCO-Kisan International Trading FZE | | |
| Trade Payable | - | - |
| Associate company - Jordan Phosphate Mines Company | | |
| Trade Payable (Purchase of Goods) | - | - |

26. 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 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 consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

| Particulars | Year ended 31 March 2023 | | | | Year ended 31 March 2022 | | | |
|---|----------------------------------|-------------------|---------------|---------------------|----------------------------|-------------------|-----------------|---------------------|
| | Fertiliser | Sugar | Others | Total | Fertiliser | Sugar | Others | Total |
| Revenue from operations | 31,59,396.95 | 1,63,090.51 | 9,816.41 | 33,32,303.87 | 17,20,900.08 | 1,19,264.78 | 10,188.45 | 18,50,353.31 |
| Identifiable operating expenses | 30,63,655.14 | 1,55,289.65 | 9,969.16 | 32,28,913.95 | 16,49,416.81 | 1,18,515.77 | 9,310.32 | 17,77,242.90 |
| Segment operating income | 95,741.81 | 7,800.86 | (152.75) | 1,03,389.92 | 71,483.27 | 749.01 | 878.13 | 73,110.41 |
| Unallocated expenses | | | | 69,578.19 | | | | 11,814.95 |
| Operating profit | | | | 33,811.73 | | | | 61,295.46 |
| Other income | - | - | - | 18,959.40 | 1,794.58 | - | - | 1,794.58 |
| Unallocated income | | | | 52,771.13 | | | | 14,437.08 |
| Profit before income tax | | | | 2,17,996.65 | | | | 77,527.12 |
| Share of net profits of investments accounted for using equity method | | | | 83,325.83 | | | | 1,25,686.05 |
| Income tax expense | | | | 1,87,441.95 | | | | 41,448.27 |
| Net profit | | | | | | | | 1,61,764.90 |
| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
| | Fertiliser | Sugar | Others | Total | Fertiliser | Sugar | Others | Total |
| B. SEGMENT ASSETS | | | | | | | | |
| Segment assets | 11,01,694.32 | 1,57,604.96 | 8,522.37 | 12,67,821.66 | 8,12,521.70 | 1,63,733.75 | 26,104.59 | 10,02,360.04 |
| Unallocated Corporate assets | | | | 6,38,652.35 | | | | 11,35,465.36 |
| Total Assets | | | | 19,06,474.01 | | | | 21,37,825.40 |
| C. SEGMENT LIABILITIES | | | | | | | | |
| Segment Liabilities | 5,19,778.92 | 64,749.62 | 753.93 | 5,85,282.47 | 7,55,206.08 | 1,64,841.75 | 12,710.41 | 9,32,758.24 |
| Unallocated Corporate liabilities | | | | 4,97,211.11 | | | | 5,92,441.79 |
| Total Liabilities | | | | 10,82,493.58 | | | | 15,25,200.03 |
| Capital expenditure | 5,274.27 | 33,232.44 | 176.84 | 38,683.55 | 2,101.83 | 7,148.78 | 1,953.90 | 11,204.51 |
| Entity wide disclosures | The entity is domiciled in India | | | | | | | |
| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
| | India | Rest of the world | Total | | India | Rest of the world | Total | |
| Revenue by Geographical area | 32,80,684.09 | 51,619.78 | 33,32,303.87 | | 18,29,742.42 | 20,610.89 | 18,50,353.31 | |
| Carrying amount of Segment Assets | 14,49,311.70 | 4,57,162.31 | 19,06,474.01 | | 18,91,345.23 | 2,46,480.17 | 21,37,825.40 | |
| Capital expenditure | 38,683.55 | - | 38,683.55 | | 11,204.51 | - | 11,204.51 | |
| Non- Current assets | 6,001.93 | - | 6,001.93 | | 2,508.97 | - | 2,508.97 | |

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 13.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27. Fair value measurements
27.1 Financial instruments by category

| Particulars | As at 31 March 2023 | | | As at 31 March 2022 | | |
|--|---------------------|------------------|--------------------|---------------------|------------------|---------------------|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investment in equity Instruments # | - | 2,214.10 | - | - | 2,700.65 | - |
| Investment in debt instruments | - | 12,743.14 | - | - | 44,354.55 | - |
| Investment in government securities | - | - | 13.11 | - | - | 10.61 |
| Investment in perpetual bonds | - | - | 32,752.60 | - | - | 50,373.28 |
| Investment in mutual funds | - | - | - | 2,79,586.68 | - | - |
| Trade receivables | - | - | 5,45,436.04 | - | - | 1,90,020.33 |
| Cash and cash equivalents | - | - | 1,21,330.80 | - | - | 4,92,725.02 |
| Bank balances other than cash and cash equivalents | - | - | 18,740.03 | - | - | 18,295.43 |
| Loans | - | - | 1.63 | - | - | 0.35 |
| Other financial assets | - | - | 15,344.89 | - | - | 6,029.18 |
| TOTAL FINANCIAL ASSETS | | 14,957.24 | 7,33,619.10 | 2,79,586.68 | 47,055.20 | 7,57,454.20 |
| Financial liabilities | | | | | | |
| Borrowings including accrued interest and current maturities | - | - | 3,96,377.57 | - | - | 5,53,873.62 |
| Trade payables | - | - | 5,36,404.65 | - | - | 8,62,638.83 |
| Other financial liabilities | - | - | 36,515.61 | - | - | 49,693.88 |
| Lease liabilities | - | - | 2,029.45 | - | - | 2,513.68 |
| TOTAL FINANCIAL LIABILITIES | | | 9,71,327.28 | | | 14,68,720.01 |

Excludes investment which is measured at cost (after equity pick) being investments in equity instruments in Associate company to Rs. 4,42,887.60 (31 March 2022 : Rs. 2,41,477.60)

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 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27.2 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.

27.3 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 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27.3 Fair value hierarchy (Continued)

| Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2023 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|--------------|
| Financial assets | | | | |
| Financial investments at FVTOCI | | | | |
| Investment in Equity Instruments | 251.85 | - | 1,962.25 | 2,214.10 |
| Investment in Debt Instruments | 5,834.46 | 6,908.68 | - | 12,743.14 |
| Financial investments at FVPL | | | | |
| Investment in mutual funds | - | - | - | - |
| Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2023 | | | | |
| Financial assets | | | | |
| Investment in government securities | - | - | 13.11 | 13.11 |
| Investment in perpetual bonds | 32,752.60 | - | - | 32,752.60 |
| Financial liabilities | | | | |
| Non current borrowings | - | - | 12,461.19 | 12,461.19 |
| Financial assets and liabilities measured at fair values - recurring fair value measurements - As at 31 March 2022 | | | | |
| Financial assets | | | | |
| Financial investments at FVTOCI | | | | |
| Investment in Equity Instruments | 551.67 | - | 2,148.98 | 2,700.65 |
| Investment in Debt Instruments | 6,465.17 | 37,889.38 | - | 44,354.55 |
| Financial investments at FVTPL | | | | |
| Investment in mutual funds | - | 2,79,586.68 | - | 2,79,586.68 |
| Financial assets and liabilities measured at amortised cost for which fair values are disclosed - As at 31 March 2022 | | | | |
| Financial assets | | | | |
| Investment in government securities | - | - | 10.61 | 10.61 |
| Investment in perpetual bonds | 50,373.27 | - | - | 50,373.27 |
| Financial liabilities | | | | |
| Non current borrowings | - | - | 4,784.26 | 4,784.26 |

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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27.3 Fair value hierarchy (Continued)

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 – 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, contingent consideration and indemnification asset included in level 3.

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

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|-------------------------------------|---------------------|------------------|---------------------|------------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Investment in government securities | 13.11 | 13.11 | 10.61 | 10.61 |
| Investment in perpetual bonds | 32,752.60 | 32,752.60 | 50,373.28 | 20,411.48 |
| TOTAL ASSETS | 32,765.71 | 32,765.71 | 50,383.89 | 20,422.09 |

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------|---------------------|------------------|---------------------|-----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities | | | | |
| Borrowings | 12,461.19 | 12,461.19 | 4,784.26 | 4,784.26 |
| TOTAL LIABILITIES | 12,461.19 | 12,461.19 | 4,784.26 | 4,784.26 |

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.

27.5 Derivative financial instruments

Derivative financial 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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

27.5 Derivative financial instruments (Continued)

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

| Particulars | 31 March 2023 USD in Lakhs | 31 March 2022 USD in Lakhs |
|---------------------------------------|-------------------------------|-------------------------------|
| Forward contracts (sell) | 73.12 | - |
| Forward contracts (Buy) | 72.50 | - |
| Foreign currency principal swap (buy) | 64.64 | 93.96 |

The foreign exchange forward contracts generally mature anywhere between 3-30 days. The foreign currency principal swap contracts mature anywhere between 2 to 39 months.

28. 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 :

28(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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)
Expected credit loss for trade receivables under simplified approach (Non-Government receivables excluding export receivables)
As at 31 March 2023:

| 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 | 69,367.01 | 15,826.79 | 1,713.68 | 566.13 | 511.93 | 2,032.65 | 20,010.74 | 1,10,028.93 |
| Expected loss rate | 1.10% | 2.42% | 9.69% | 20.73% | 37.77% | 72.98% | 100.00% | - |
| Expected credit losses (loss allowance provision) | (762.65) | (383.69) | (166.08) | (117.34) | (193.37) | (1,483.44) | (20,010.74) | (23,117.31) |
| Carrying amount of trade receivables (net of impairment) | 68,604.36 | 15,443.1 | 1,547.60 | 448.79 | 318.56 | 549.21 | - | 86,911.62 |

As at 31 March 2022:

| 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 | 23,892.76 | 7,847.32 | 1,924.56 | 948.91 | 750.78 | 3,261.02 | 20,089.64 | 58,715.00 |
| Expected loss rate | 1.04% | 2.22% | 8.12% | 17.65% | 32.73% | 72.59% | 100.00% | - |
| Expected credit losses (loss allowance provision) | (248.04) | (174.15) | (156.26) | (167.44) | (245.74) | (2,367.18) | (20,089.64) | (23,448.45) |
| Carrying amount of trade receivables (net of impairment) | 23,644.72 | 7,673.17 | 1,768.30 | 781.47 | 505.04 | 893.84 | 0.00 | 35,266.55 |

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 2023 | As at 31 March 2022 |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | 1,21,330.80 | 4,92,725.02 |
| Bank balances | 18,740.03 | 18,295.43 |
| Total | 1,40,070.83 | 5,11,020.45 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)
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 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Expiring within one year - short term borrowings and other facilities expiring 31 March 2023 (Fund and non fund based) | 25,07,835.45 | 17,06,333.02 |

b) Maturities of financial liabilities

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022:

| Particulars | As at 31 March 2023 | | | |
|---|-----------------------|-----------------|----------------------|--------------------|
| | Less than one year | 1-2 years | 2 years and above | Total |
| Fixed interest rate borrowings | 3,79,275.81 | - | - | 3,79,275.81 |
| Variable interest rate borrowings (Refer note below) | 4,640.57 | 4,748.81 | 7,712.38 | 17,101.76 |
| Lease liabilities | 549.89 | 1,168.02 | 311.54 | 2,029.45 |
| Trade payables | 5,36,404.65 | - | - | 5,36,404.65 |
| Other financial liabilities | 29,426.84 | - | 7,088.77 | 36,515.61 |
| Total | 9,50,297.76 | 5,916.83 | 15,112.69 | 9,71,327.28 |

| Particulars | As at 31 March 2022 | | | |
|---|-----------------------|-----------------|----------------------|---------------------|
| | Less than one year | 1-2 years | 2 years and above | Total |
| Fixed interest rate borrowings | 5,47,538.04 | - | - | 5,47,538.04 |
| Variable interest rate borrowings (Refer note below) | 2,126.34 | 2,126.34 | 2,657.92 | 6,910.60 |
| Lease liabilities | 629.47 | 1,071.22 | 812.99 | 2,513.68 |
| Trade payables | 8,62,638.83 | - | - | 8,62,638.83 |
| Other financial liabilities | 44,207.57 | - | 4,911.29 | 49,693.90 |
| Total | 14,57,715.29 | 3,197.56 | 8,382.20 | 14,68,720.01 |

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.

28(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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)

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 2023 and 31 March 2022:

| As at 31 March 2023 | | | | | | |
|---------------------|-----------|----------------|-----------|----------------|-----------|----------------|
| Particulars | USD Lakhs | INR Equivalent | EUR Lakhs | INR Equivalent | AED Lakhs | INR Equivalent |
| Assets: | | | | | | |
| EEFC Account | 42.72 | 3,569.01 | - | - | - | - |
| Trade receivables | 324.18 | 27,132.00 | 0.02 | 1.63 | - | - |
| Liabilities: | | | | | | |
| Borrowings | 4,717.18 | 3,87,612.48 | - | - | - | - |
| Trade payables | 2,956.65 | 2,42,748.43 | - | - | 0.00 | 0.00 |

Pursuant to geopolitical factors relating to Russia- Ukraine matters since February 2022, the Company has entered into an arrangement with JSC Belarusian Potash Company to convert the underlying USD denominated payables to INR denominated payables, for which the Company has opened a new bank account subsequent to the balance sheet date with an Indian branch of a foreign bank to disburse the payments.

| As at 31 March 2022 | | | | | | |
|---------------------|-----------|----------------|-----------|----------------|-----------|----------------|
| Particulars | USD Lakhs | INR Equivalent | EUR Lakhs | INR Equivalent | AED Lakhs | INR Equivalent |
| Assets: | | | | | | |
| EEFC Account | 28.75 | 2,178.75 | - | - | - | - |
| Trade receivables | 28.62 | 2,169.52 | - | - | - | - |
| Liabilities: | | | | | | |
| Borrowings | 6,574.18 | 4,98,273.16 | - | - | - | - |
| Trade payables | 7,386.03 | 5,59,805.07 | 0.05 | 4.52 | 8.01 | 165.20 |
| Other payables | 51.82 | 3,927.57 | - | - | 0.00 | 0.00 |

Sensitivity analysis

| Particulars | Impact on profit after tax | |
|--|----------------------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| USD Sensitivity | | |
| INR/USD - Increase by 10% (31 March 2022-10%) | 79,146.63 | 86,257.28 |
| INR/USD - Decrease by 10% (31 March 2022-10%) | (79,146.63) | (86,257.28) |
| Euro Sensitivity | | |
| INR/Euro - Increase by 10% (31 March 2022-10%) | 0.34 | 0.11 |
| INR/Euro - Decrease by 10% (31 March 2022-10%) | (0.34) | (0.11) |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

28 Financial risk management (Continued)

| AED Sensitivity | | |
|---|---------|---------|
| INR/AED - Increase by 10% (31 March 2020-10%) | 12.36 | 16.62 |
| INR/AED - Decrease by 10% (31 March 2022-10%) | (12.36) | (16.62) |

28(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.

Classification of borrowings by nature of interest rate:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|--------------------------------|--------------------------------|
| Borrowings at variable interest rate : | | |
| - Current | - | 50,012.24 |
| - Non-current (including current maturities) | 17,101.76 | 6,910.60 |
| Borrowings at fixed interest rate : | | |
| - Current | 3,79,275.81 | 4,96,963.11 |
| - Non-current (including current maturities) | - | - |

Interest rate sensitivity analysis

| Particulars | Impact on profit after tax | |
|--|-----------------------------------|----------------------|
| | 31 March 2023 | 31 March 2022 |
| Interest rates increase by 10 base points* | (40.70) | (15.56) |
| Interest rates decrease by 10 base points | 40.70 | 15.56 |

*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, 2022: LIBOR/Treasury bill rates).

28(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 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 2023 would increase/ decrease by Rs. 140 (31 March 2022: Rs. 470.55) 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 consolidated financial statements as at and for the year ended 31 March 2023

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29. Additional regulatory information required by Schedule III
(a) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

- (b) The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

| Quarter Ended | Amount as per books of accounts Rs. in lakhs | Amount as per Quarterly Returns/ Statements (Rs. In Lakhs) | Difference | Reason |
|----------------------------------|---|--|------------|--------|
| Quarter Ended June 30, 2022 | 11,18,552 | 11,44,156 | (25,604) | Note 1 |
| Quarter Ended September 30, 2022 | 14,74,140 | 15,29,394 | (55,254) | |
| Quarter Ended December 31, 2022 | 12,30,795 | 12,24,632 | 6,163 | |
| Quarter Ended March 31, 2023 | 9,46,721 | 9,56,061 | (9,340) | |

Note 1 :

The difference are due to Foreign exchange reinstatement and subsidy receivables reinstatement in Trade receivables at the end of each quarter. The adjustments are not considered in quarterly statement submitted to bank. Further provision for inventory is not considered in statement submitted to the bank.

(c) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(d) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(e) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(f) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current financial year.

(g) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

29. Additional regulatory information required by Schedule III

- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) o
 b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries”

(h) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(i) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

29. Additional regulatory information required by Schedule III (Continued)
(J) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

30. Interests in other entities
(a) Subsidiaries

The group's subsidiaries at 31 March 2023 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-23 | 31-Mar-22 | 31-Mar-23 | 31-Mar-22 | |
| IPL Sugars and Bio Fuels Ltd. (Formerly known as IPL Sugars and Allied Industries Limited) | India | 100% | 100% | - | - | Manufacture of sugar and allied products |

| Summarised cash flows | IPL Sugars and Bio Fuels Ltd. | |
|--------------------------------------|-------------------------------|-----------|
| | 31-Mar-23 | 31-Mar-22 |
| Cash flows from operating activities | (238.55) | (288.04) |
| Cash flows from investing activities | (73.16) | - |
| Cash flows from financing activities | 311.41 | 287.89 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (Continued)

| | | |
|--|---------------|---------------|
| Net increase/ (decrease) in cash and cash equivalents | (0.30) | (0.15) |
|--|---------------|---------------|

(c) Interests in associates

Set out below are the associates of the group as at 31 March 2023 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 |
|--------------------------------|--|-------------------------|-------------------|------------------------------------|--------------------------|-----------------------------------|--------------------------|
| Jordan Phosphate Mines Company | Jordan | 27.38% | Equity method | 31-Mar-23 10,77,938.01 | 31-Mar-23 4,42,887.60 | 31-Mar-22 6,86,562.42 | 31-Mar-22 2,41,477.84 |

* Fair value for 31 March 2023 and 2022 are considered based on quoted prices.

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 1 (31 March 2022: 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 2022 and January to December 2021 for the year ended 31 March 2023 and 31 March 2022 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.

(i) Commitments and contingent liabilities in respect of associate

| Particulars | As at 31 December 2022 | As at 31 December 2021 |
|---------------------------------|---------------------------|---------------------------|
| Outstanding letter of credit | 1,29,074.46 | 1,14,839.93 |
| Outstanding letter of guarantee | 17,468.68 | 14,593.82 |
| Litigations | 2,42,645.94 | 1,64,476.38 |

(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

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

30. Interests in other entities (Continued)

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 | |
|-------------------------------|--------------------------------|---------------------------|
| | As at 31 December 2022 | As at 31 December 2021 |
| Total Current assets | 14,25,674.41 | 6,95,404.27 |
| Total non current assets | 9,89,972.42 | 8,86,496.57 |
| Total current liabilities | 4,56,742.63 | 3,62,061.59 |
| Total non current liabilities | 2,28,079.83 | 2,43,906.89 |
| Net assets | 17,30,824.37 | 9,75,932.36 |

| Reconciliation to carrying amounts | Jordan Phosphate Mines Company | |
|---|--------------------------------|---------------------------|
| | As at 31 December 2022 | As at 31 December 2021 |
| Opening net assets | 8,81,949.75 | 4,32,028.90 |
| Profit for the year (Previous year: 31 December 2021) | 7,96,189.38 | 3,49,304.52 |
| Other comprehensive income for the year (Previous year: 31 December 2021) | 4,145.66 | 111.60 |
| Dividends paid | (1,80,724.21) | (17,013.00) |
| Purchase Price allocation adjustments impact during the year | - | 1,09,758.27 |
| Intercompany elimination Profit/Loss | - | (18.77) |
| Exchange difference on translation | 1,15,998.22 | 7,778.24 |
| Closing net assets | 16,17,558.80 | 8,81,949.75 |
| Group's share in % | 27.38% | 27.38% |
| Group's share in INR | 4,42,887.60 | 2,41,477.84 |
| Less: Impairment loss | - | - |
| Carrying amount | 4,42,887.60 | 2,41,477.84 |

| Summarised statement of profit and loss | Jordan Phosphate Mines Company | |
|---|--|--|
| | For the year ended 31 December 2022 | For the year ended 31 December 2021 |
| Revenue | 19,38,813.65 | 11,24,065.30 |
| Profit for the year | 7,95,308.78 | 3,50,808.45 |
| Other comprehensive income | 4,146.52 | 111.60 |
| Total comprehensive income | 7,99,455.31 | 3,50,920.04 |
| Dividends received | 49,490.17 | 4,658.20 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|-----------------------------|-----------------------------|
| Share of profits from associate | 2,17,996.65 | 1,25,686.05 |
| Impairment loss / reversal of impairment on associate | - | - |
| Total share of profits from associate (after adjusting for impairment loss / reversal of impairment) | 2,17,996.65 | 1,25,686.05 |

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 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Net Debt (Total borrowings and lease liabilities net of cash and cash equivalents) | 2,58,336.19 | 45,366.85 |
| Total equity | 8,23,980.43 | 6,12,625.37 |
| Net Debt to Equity Ratio | 31.35% | 7.41% |

The net debt to equity ratio for the current year has increased from 7.41% to 31.35% following the significant decrease in cash and cash equivalents during the year.

(ii) Loan Covenants

The Group has complied with loan covenants as at March 31, 2023

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Dividends | | |
| (i) Equity shares | | |
| Final dividend paid during the year 2022-23 of INR 6.00 (31 March 2022 – INR 4.00) per fully paid share | 1,715.83 | 1,143.89 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above, proposed dividend of Rs. 7 (31 March 2022 – INR 6.00) 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. | 2,001.80 | 1,715.83 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

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 2023 | 31 March 2022 |
|---|------------------------|--------------------|--------------------|
| Jordan Phosphate Mines Company | Related Party | 64,968.97 | 64,968.97 |
| Indian Commodity Exchange Limited | Not a related Party | 1,867.25 | 2,053.98 |
| Wisekey India Private Limited | Not a related Party | 95.00 | 95.00 |
| BSE Limited | Not a related Party | 251.85 | 551.67 |
| BOB Perpetual Bond | Not a related Party | 18,198.45 | 18,198.45 |
| Union Bank of India Perpetual Bond | Not a related Party | - | 2,500.00 |
| Canara Bank Perpetual Bond | Not a related Party | 5,533.55 | 5,533.55 |
| HDFC Perpetual Bond | Not a related Party | - | 1,541.35 |
| SBI Perpetual Bond | Not a related Party | 9,020.60 | 22,599.92 |
| Mahindra & Mahindra Financial Services Ltd Zero Coupon Bond | Not a related Party | 6,908.68 | - |
| | | 4,84,762.98 | 2,94,551.52 |

33 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 2023

| 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 | 46.49% | 3,83,078.46 | 13.87% | 25,987.05 |
| IPL Sugar & Bio Fuels Limited | -0.24% | (1,985.63) | -0.19% | (362.40) |
| Jordan Phosphate Mines Company | 53.75% | 4,42,887.60 | 86.33% | 1,61,817.30 |
| Total | 100.00% | 8,23,980.43 | 100.00% | 1,87,441.95 |

| Particulars | Share in other comprehensive income | | Share in total comprehensive income | |
|--------------------------------|---|------------------|-------------------------------------|--------------------|
| | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Indian Potash Limited | 0.71% | 165.50 | 12.41% | 26,152.55 |
| IPL Sugar & Bio Fuels Limited | 0.00% | - | -0.17% | (362.40) |
| Jordan Phosphate Mines Company | 99.29% | 23,173.12 | 87.76% | 1,84,990.42 |
| Total | 100.00% | 23,338.62 | 100.00% | 2,10,780.57 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

33 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 (Continued)
For the year ended 31 March 2022

| 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 | 60.85% | 3,72,771.00 | 35.34% | 57,166.54 |
| IPL Sugar & Bio Fuels Limited | -0.26% | (1,623.23) | -0.20% | (318.61) |
| Jordan Phosphate Mines Company | 39.42% | 2,41,477.60 | 64.86% | 1,04,916.97 |
| Total | 100.00% | 6,12,625.37 | 100.00% | 1,61,764.90 |

| Particulars | Share in other comprehensive income | | Share in total comprehensive income | |
|--------------------------------|---|-----------------|-------------------------------------|--------------------|
| | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Indian Potash Limited | -34.92% | (463.18) | 34.77% | 56,703.36 |
| IPL Sugar & Bio Fuels Limited | 0.00% | - | -0.20% | (318.61) |
| Jordan Phosphate Mines Company | 134.92% | 1,789.55 | 65.43% | 1,06,706.52 |
| Total | 100.00% | 1,326.37 | 100.00% | 1,63,091.27 |

34. Extracts of revenue details and Provision for employee benefits - Note 22 and Note 16 of Consolidated Financial Statements of Jordan Phosphate Mines Company

| Revenue | Sales (in thousands of Jordanian Dinars) | |
|--------------------------|--|------------------|
| | 31 December 2022 | 31 December 2021 |
| Phosphate unit | 9,14,092 | 5,00,125 |
| Fertilizer unit | 4,53,002 | 2,95,357 |
| Indo Jordan | 2,05,713 | 1,37,650 |
| Nippon | 1,49,361 | 1,32,329 |
| Trading in raw materials | 26,097 | 12,318 |
| | 17,48,265 | 10,77,779 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

34. Extracts of revenue details and Provision for employee benefits - Note 22 and Note 16 of Consolidated Financial Statements of Jordan Phosphate Mines Company (Continued)
Provisions for employees' benefits

The table below illustrates the details of provisions for employees' benefits as of 31 December is as follow :

| Particulars | Sales (in thousands of Jordanian Dinars) | |
|---|--|------------------|
| | 31 December 2022 | 31 December 2021 |
| Defined benefit plans (A) | 97,467 | 1,15,777 |
| Employees' compensations (B) | 2,527 | 914 |
| Employees incentives and retirees' grants (c) | 735 | 735 |
| | 1,00,729 | 1,17,426 |
| Current portion | 44,865 | 34,978 |
| Non-current portion | 55,864 | 82,448 |
| | 1,00,729 | 1,17,426 |

A- Defined benefit plans

The following is the movement on the provision of defined benefit plans:

| Particulars | 31 December 2022 (in thousands of Jordanian Dinars) | | |
|---|--|-------------------------------|------------------|
| | End of Service Bonus Compensation* | Death and Compensation fund** | Total |
| Balance as of 1 January | 2,204.00 | 1,13,573.00 | 1,15,777.00 |
| Service cost | 100.00 | 3,423.00 | 3,523.00 |
| Interest cost | 100.00 | 4,379.00 | 4,479.00 |
| Employees contributions | 0.00 | 541.00 | 541.00 |
| Paid benefits during the year | (102.00) | (21,579.00) | (21,681.00) |
| Employee share of payments | 0.00 | (541.00) | (541.00) |
| Actuarial loss due to experience | 0.00 | 1,122.00 | 1,122.00 |
| Actuarial loss due to change in financial assumptions | 0.00 | (5,753.00) | (5,753.00) |
| Balance as of 31 December | 2,302.00 | 95,165.00 | 97,467.00 |

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

34. Extracts of revenue details and Provision for employee benefits - Note 22 and Note 16 of Consolidated Financial Statements of Jordan Phosphate Mines Company (Continued)

| Particulars | 31 December 2021 (in thousands of Jordanian Dinars) | | |
|---|--|-------------------------------|--------------------|
| | End of Service Bonus Compensation* | Death and Compensation fund** | Total |
| Balance as of 1 January | 2,077.00 | 1,05,520.00 | 1,07,597.00 |
| Service cost | 100.00 | 8,196.00 | 8,296.00 |
| Interest cost | 100.00 | 9,278.00 | 9,378.00 |
| Amendments | 0.00 | 6,090.00 | 6,090.00 |
| Employees contributions | 0.00 | 558.00 | 558.00 |
| Paid benefits during the year | (73.00) | (15,211.00) | (15,284.00) |
| Employee share of payments | 0.00 | (558.00) | (558.00) |
| Actuarial loss due to experience | 0.00 | 240.00 | 240.00 |
| Actuarial loss due to change in financial assumptions | 0.00 | (540.00) | (540.00) |
| Balance as of 31 December | 2,204.00 | 1,13,573.00 | 1,15,777.00 |

* 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.

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.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

34 Extracts of revenue details and Provision for employee benefits - Note 23 and Note 17 of Consolidated Financial Statements of Jordan Phosphate Mines Company (Continued)
Provisions for employees' benefits (continued)

Significant actuarial assumptions used to determine death and compensation fund liability as of 31 December are as follow:

| Particulars | 31 December 2022 | 31 December 2021 |
|--------------------------------|------------------|------------------|
| Discount rate | 7.68% - 6.9% | 4.82% |
| Salary increase rate | 6% - 3.5% | 4,5% - 3,5% |
| Mortality rate | 0.12% | 0.12% |
| Resignation rate: | | |
| Up to the age of 34 years | 5%-3% | 5%-3% |
| From the age of 35 to 49 years | 5%-2% | 5%-2% |
| Age 50 years and over | 5%-0% | 5%-0% |

The following table represents sensitivity analysis of changes in significant actuarial assumptions used to determine the present value of death and compensation fund liability as of 31 December:

| | Discount Rate | | Increment salary increase rate | | Resignation rate | |
|--------|---------------|--|--------------------------------|--|------------------|--|
| | Percentage | Increase / (Decrease) (in thousands of Jordanian Dinars) | Percentage | Increase / (Decrease) (in thousands of Jordanian Dinars) | Percentage | Increase / (Decrease) (in thousands of Jordanian Dinars) |
| 2022 - | +1 | (3,910.00) | +1 | 4,241.00 | +1 | 516.00 |
| | -1 | 4,372.00 | -1 | (4,098.00) | -1 | (563.00) |
| 2021 - | +1 | (4,570.00) | +1 | 5,302.00 | +1 | 238.00 |
| | -1 | 5,124.00 | -1 | (4,901.00) | -1 | (257.00) |

35. Acquisition of Sugar Unit:

Pursuant to a Business Transfer Agreement (BTA) entered into with M/s.Shakthi Sugars Ltd (Seller), the company acquired the entire business of Seller's Dhenkanal Sugar Unit (DU), having cane crush capacity of 2,500 TCD together with 30 KLPD Distillery Unit with 10,000 MT per annum bio-composed production unit, Soya Extrusion Plant (the business) on "As is where is and what is" basis as a going concern on a slump sale along with rights, titles and interest of the seller in DU for a lumpsum consideration aggregating to Rs.13,410 lakhs with effect from 11th November, 2022.

The said consideration has been allocated to the Assets and Liabilities based on the respective fair value as determined by the independent valuer. The difference between the fair value of the net assets taken over and the lumpsum consideration paid aggregating to Rs.2,290.33 lakhs has been accounted as capital reserve and disclosed in note No.8(b) to the financial statements.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

35. Acquisition of Sugar Unit : (Continued)

| Particulars | Amount in Lakhs |
|------------------------------------|------------------|
| Land & Buildings | 9,177.93 |
| Plant & Equipment and Other Assets | 6,056.51 |
| Sub-total | 15,234.44 |
| Net Current Assets | 465.88 |
| Net Assets | 15,700.32 |
| Less : Purchase Consideration | 13,410.00 |
| Capital Reserve | 2,290.32 |

As at the reporting date, Land and Buildings are transferred in the name of the company and the conveyance deed registered with jurisdictional Sub-registrar office based at Dhenkanal, State of Orissa on 11th November, 2022. As per the BTA, the employees of DU were absorbed on the rolls of the company effective from 11th November, 2022. The liability towards terminal benefits like gratuity, PF and leave encashment payable to the employees as on 10th November 2022 has been settled by the seller. Accordingly as per the BTA, the company has duly provided accrued liability for terminal benefits including the employees of DU as at the reporting date.

The statement of Profit and Loss accounts of the company includes revenue earned and the expenses incurred by DU for the period from 11th November 2022 to 31st March, 2023, as the company has taken over the management control of DU from 11th November, 2022 and all key activities are directed and controlled by the company effective from 11th November, 2022.

Notes to consolidated financial statements as at and for the year ended 31 March 2023

All amounts in Indian Rupees lakhs, unless otherwise stated

36. Events after the reporting date

- i) Subsequent to period end, the Company has proposed final dividend of INR 7 per fully paid share, subject to the approval of shareholders in the ensuing annual general meeting.
- ii) Subsequent to period end, the general assembly of Jordan Phosphate Mines Company, an associate, has approved in its ordinary meeting held on 04 April 2023 on distributing dividends of 300% of the nominal value of shares and Bonus shares of 200% of the nominal value of shares for net profit of the year ending 2022.

37. Previous Year's figures are recast/regrouped wherever necessary to conform to the classification of

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration Number: 105047W

Geetha Jeyakumar

Partner

Membership No.: 029409

Place : Chennai

Date : 20th June 2023

For and on behalf of the Board of Directors

Indian Potash Limited

CIN:U14219TN1955PLC000961

Pankaj Kumar Bansal

Chairman

DIN: 05197128

Place : New Delhi

U.S.Awasthi

Director

DIN: 00026019

Place : New Delhi

Girish Kumar

Company Secretary

Place : New Delhi

Place: New Delhi

Date : 20th June 2023

P.S.Gahlaut

Managing Director

DIN: 00049401

Place : New Delhi

Sudhir Bhargava

Director

DIN: 00247515

Place : New Delhi

R. Srinivasan

Chief Financial Officer

Place : New Delhi



INDIAN POTASH LIMITED

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