Mangalore Chemicals
& Fertilizers Limited

722/AGM/2022 August 19, 2022

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

Department of Corporate Services - CR
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Dear Sir/Madam,

Company's Scrip Code in BSE	: 530011
Company's Symbol in NSE	: MANGCHEFER
ISIN	: INE558B01017

Sub: Notice of the 55th Annual General Meeting & Annual Report for the year ended March 31, 2022

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, please find enclosed the Notice of the 55th Annual General Meeting scheduled to be held on September 13, 2022 at 3.00 P.M through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and the Annual Report of the Company for the year ended March 31, 2022.

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

We request you to take the above on record.

Thanking You,

Yours faithfully,
For Mangalore Chemicals & Fertilizers Limited

Vijayamahantesh Khannur
Company Secretary

Encl: As above

ANNUAL REPORT
2021-22







Mangalore Chemicals
& Fertilizers Limited

Directors	:	Akshay Poddar, Chairman Shubhabrata Saha, Managing Director D A Prasanna, Independent Director Rita Menon, Independent Director Marco Wadia, Independent Director Nitin M Kantak, Director
Company Secretary	:	Vijayamahantesh Khannur
Chief Financial Officer	:	T M Muralidharan
Bankers	:	State Bank of India Union Bank of India Bank of India Punjab National Bank Axis Bank Limited Kotak Mahindra Bank Limited RBL Bank Limited IndusInd Bank Limited IDFC First Bank Limited ICICI Bank Limited IDBI Bank Limited Cooperatieve Rabobank UA
Statutory Auditors	:	S.R. Batliboi & Co. LLP.
Cost Auditor	:	Y. K. Venkatesh, Bengaluru
Secretarial Auditor	:	S. Kedarnath, Bengaluru
Registered Office	:	Level 11, UB Tower, UB City No. 24, Vittal Mallya Road Bengaluru – 560 001 Tel. No. 080-4585 5599 Fax No. 080-4585 5588 email : shares.mcfl@adventz.com Website : www.mangalorechemicals.com CIN : L24123KA1966PLC002036
Works	:	Panambur, Mangaluru – 575 010 Tel. No. 0824-2220 600 Fax No. 0824-2407 938
Share Transfer Agent	:	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai – 600 002 Tel. No. 044-2846 0395, Fax No. 044-2846 0129 e-mail: investor@cameoindia.com

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NOTICE

To
The Members,

Notice is hereby given that the Fifty Fifth (55th) Annual General Meeting ("AGM") of the Members of Mangalore Chemicals & Fertilizers Limited ("the Company") will be held on **Tuesday, September 13, 2022 at 3:00 P.M (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Statutory Auditors.
2. To declare dividend on the equity shares for the financial year 2021-22.
3. To re-appoint Mr. Akshay Poddar (DIN:00008686), who retires by rotation, and being eligible, offers himself for the re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution.

   RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, **M/s P KF Sridhar & Santhanam LLP**, Chartered Accountants **(FRN: 003990S/S200018)**, be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s S. R. Batliboi & Co. LLP, Chartered Accountants, (FRN:301003E/E300005), to hold office from the conclusion of 55th Annual General Meeting until the conclusion of the 60th Annual General Meeting.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors and their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with prevailing rules and regulations made in this regard.

SPECIAL BUSINESS

5. **Ratification of payment of remuneration to Cost Auditor**

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

   RESOLVED THAT pursuant to the provisions of the Section 148 of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of INR 1,85,000 (Rupees One Lakh Eighty Five Thousand only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses to Mr. Y K Venkatesh, Cost Accountant (Membership Number 5294), for conducting audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified and confirmed.

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

By Order of the Board of Directors

Bengaluru
August 01, 2022

Vijayamahantesh Khannur
Company Secretary
A19257

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Director seeking re-appointment at the AGM, forms part of this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 02/2022 dated May 05, 2022 (hereinafter collectively referred to as "MCA Circulars"). The AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars and SEBI Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The Notice of the 55th Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depository Participant(s) in accordance with the aforesaid MCA Circulars and circulars issued by SEBI dated May 12, 2020, January 15, 2021 and May 13, 2022. The Notice calling the AGM and Annual Report for the financial year 2021-22 has been uploaded on the website of the Company at www.mangalorechemicals.com. The Notice and Annual Report for the financial year 2021-22 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars. Since the AGM will be held through VC/OAVM, the route map and attendance slip are not annexed in this Notice.
8. The Company's Registrar & Share Transfer Agents (RTA) are:
   Cameo Corporate Services Ltd.
   Subramanian Building, No. 1, Club House Road
   Chennai - 600 002, Tamil Nadu
   Tel: +91 44-2846 0390/95
   E-mail: investor@cameoindia.com
   Website: www.cameoindia.com
9. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unclaimed/unpaid for a period of seven years from the due date of payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF within 30 days of they becoming due to be transferred.
10. The Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 31.03.2021 on the website of the Company at www.mangalorechemicals.com. The unclaimed dividend pertaining to the financial year 2014-15 is due for transfer to the Investor Education and Protection Fund and the same can be claimed from the Company on or before the due date.

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

Dividend year	Date of declaration of dividend	Due date for transfer to IEPF
31/03/2015	29/09/2015	02/11/2022
31/03/2017	25/09/2017	30/10/2024
31/03/2018	06/09/2018	10/10/2025
31/03/2019	27/08/2019	29/09/2026
31/03/2020	15/09/2020	15/10/2027
31/03/2021	16/09/2021	21/10/2028

11. Members who have neither received nor encashed their dividend warrant(s) in respect of the earlier years, are requested to make a request letter to the Company/RTA, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). As and when the amount is due, it will be transferred by the Company to Investor Education and Protection Fund. No claim thereof shall lie against the Company after such transfer.
12. Members are advised to avail the facility for receipt of future dividends through National Electronic Clearing Services (NECS). The ECS facility is available at specified locations. Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility. The Company or our RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares in physical form and desirous of either registering bank details or changing bank details already registered against their respective folios are requested to send a request letter for updating Bank Account Numbers with 9 digit MICR Number to the RTA or to the Company with attested copy of his/her PAN Card and a copy of his/her cheque leaf (to capture correct Bank Account Number, IFSC Code and 9 digit MICR Code).

13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members can avail facility for nomination in respect of the shares held by them. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled-in to RTA at the above mentioned address.

14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

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

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

16. Members are requested to notify any change in their postal/mail or email address:
    (i) To their Depository Participants (DPs) in respect of the shares held in Demat form and
    (ii) To the Company's RTA in respect of the shares held in Physical form.

17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members on the website of the Company at www.mangalorechemicals.com during the time of AGM.

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

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

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

20. Register of Members and Share Transfer Books will remain closed from September 07, 2022 to September 13, 2022 (both days inclusive) for the purpose of determination of members who are entitled to receive the dividend for the financial year 2021-22, if declared.

21. Shareholder may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Shareholders having valid PAN	10%* or as notified by the Government of India
Shareholders not having PAN/valid PAN	20% or as notified by the Government of India

    *As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section.

    However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the current Financial Year does not exceed INR 5,000 and also in cases where shareholders provide Form 15G/Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower/Nil withholding tax. PAN is mandatory for members providing Form 15G/ 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholder or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- Copy of Tax Residency Certificate (TRC) during the current Financial Year obtained from the revenue authorities of the country of tax residence, duly attested by shareholder
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by shareholder

In case of Foreign Institutional Investors/Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

The aforementioned documents are required to be sent to Company or to the Share Transfer Agent before September 12, 2022.

The resident shareholders can upload the above said Form on the registrar's website – http://investors.cameoindia.com or by emailing the same to investor@cameoindia.com by September 12, 2022.

22. **Voting Process:**

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

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The remote e-voting period begins on September 10, 2022 at 10.00 AM (IST) and ends on September 12, 2022 at 5.00 PM (IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 06, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

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

Step 2 : Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form:

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID;
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the image verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Click on the EVSN of MCFL.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xv) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA, if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at sudhir.compsec@gmail.com and to the Company at the email address viz; shares.mcfl@adventz.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further, shareholders will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
6. Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email ID, mobile number at shares.mcfl@adventz.com.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.The Company reserves the right to restrict the number of speakers depending upon the availability of time.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

1. For Physical shareholders – please provide necessary details like Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at shares.mcfl@adventz.com/RTA at investor@cameoindia.com.
2. For Demat shareholders – Please update your email ID& mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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

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

a) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being September 06, 2022. The person who is not a member as on cut-off date should treat this notice for information purpose only. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date September 06, 2022, may please refer the voting instructions in the AGM Notice for remote e-voting/e-voting.

b) Mr. Sudhir V Hulyalkar, Practicing Company Secretary (Membership No. FCS 6040 and CP No. 6137) has been appointed by the Board of Directors of the Company as the Scrutinizer for scrutinizing the remote e-voting process as well as voting during the meeting, in a fair and transparent manner.

c) The Scrutinizer shall immediately after conclusion of the Annual General Meeting, count votes casted on the day of the meeting, thereafter unblock the votes cast through remote e-voting.

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

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4: Appointment of M/s PKF Sridhar & Santhanam LLP, Chartered Accountants as Statutory Auditors of the Company

Though not mandatory, this statement is provided for reference.

M/s S.R. Batliboi & Co. LLP, Chartered Accountants, New Delhi, were appointed as Statutory Auditors to hold office from the conclusion of the 50th Annual General Meeting till the conclusion of the 55th Annual General Meeting. The term of the M/s S.R. Batliboi & Co. LLP, Chartered Accountants will expire at the ensuing 55th Annual General Meeting.

Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on August 01, 2022, recommended the appointment of M/s PKF Sridhar & Santhanam LLP as the Statutory Auditors to hold office from the conclusion of 55th AGM till the conclusion of 60th AGM, subject to the approval of Shareholders at the ensuing AGM.

The Company has received written consent from M/s PKF Sridhar & Santhanam LLP stating that their appointment, if made, shall be in accordance with the statutory requirements under the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

Disclosure pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Proposed fees payable to Statutory Auditors	The Board of Directors is authorized to fix the remuneration of Statutory Auditors.
Terms of Appointment	Appointment for a term of 5 years from the conclusion of 55th AGM till the conclusion of the 60th AGM.
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The Statutory Auditors remuneration will be based on the scope of their work which will not be a material change from the outgoing auditor.
Basis of Recommendation of Appointment	Having over 44 years of experience in the professional areas of Audit and Management Advisory Services.
Details in relation to and credentials of the Statutory Auditor	M/s PKF Sridhar & Santhanam LLP has been in existence from 1978, initially as a Partnership Firm and presently as a Limited Liability Partnership. They are one of the leading Professional Service Providers with Global experience. The firm has its Head Office at Chennai and has offices in four cities, viz., Mumbai, New Delhi, Bengaluru and Hyderabad. The Firm has a very impressive list of clients across multiple industry verticals. The firm has been peer reviewed in 2019. Also, as a part of the "Forum of Firms", an association of international networks of accounting firms that perform audits of financial statements that are or may be used across national borders, the firm maintains international quality control standards.

The Board of Directors recommends the passing of resolution at item No. 4 as an Ordinary Resolution.

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

Item No. 5: Ratification of payment of remuneration to Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board has approved the appointment of Mr. Y K Venkatesh, Cost Accountant (Membership Number 5294), as Cost Auditor of the Company for the financial year 2022-23 on a remuneration of INR 1,85,000 (Rupees One Lakh Eighty Five Thousand only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses.

Accordingly, consent of members is sought by an Ordinary Resolution for the remuneration payable to the Cost Auditor for the financial year 2022-23.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

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

Name of the Director	**Akshay Poddar**		
Date of Birth	July 20, 1976		
Age	46		
Inter-se relationship with Directors of the Company	None		
Date of First Appointment	September 29, 2015		
Qualification	Master of Science in Leadership & Strategy from London Business School. Honors in Accounting and Finance from London School of Economics and Political Science, University of London.		
Functional Expertise & Experience including brief resume.	Over 21 years of track record of promoting and managing businesses in diversified industries like fertilizers, agri-inputs, heaving engineering, sugar, consumer, products, real estate, investments and furniture etc.		
Terms and Conditions of re-appointment	Re-appointment on retirement by rotation		
Directorship held in other companies (excluding foreign companies & Section 8 companies) along with listed entities from which the person resigned in the past 3 years as on 31st March, 2022.	Adventz Securities Enterprises Ltd. Lionel Edwards Limited Lionel India Limited Texmaco Infrastructure & Holdings Ltd. Texmaco Rail & Engineering Ltd. Zuari Agro Chemicals Limited Gobind Sugar Mills Limited (Amalgamated) Simon India Limited Abhishek Holdings Pvt. Ltd. Adventz Finance Pvt. Ltd. Hettich India Private Ltd. Touax Texmaco Railcar Leasing Pvt. Ltd. Adventz Homecare Pvt. Ltd. Indian Chamber of Commerce Calcutta The Fertiliser Association of India		
Membership/Chairmanship of Committees of public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2022	Company	Audit Committee	Stakeholders' Relationship Committee
	Texmaco Infrastructure & Holdings Ltd.	Member	Member
	Texmaco Rail & Engineering Ltd.	-	Chairman
Shareholding in the Company, including shareholding as a beneficial owner.	*13,02,431 equity shares		
Remuneration proposed to be paid	Sitting fee for attending Board and Committee Meetings and the remuneration as approved by the members in the Annual General Meeting held on September 16, 2021		

*Out of 13,02,431 equity shares, 83,928 equity shares purchased on 31.03.2022 are credited to his demat account after 31.03.2022.

For other details such as number of meetings of Board of Directors attended during the year and remuneration last drawn i.e. as on March 31, 2022, please refer to the Corporate Governance Report (Annexure 5) of Annual Report.

By Order of the Board of Directors

Bengaluru
August 01, 2022

Vijayamahantesh Khannur
Company Secretary
A19257

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Fifty Fifth Annual Report of Mangalore Chemicals & Fertilizers Limited ("Company") together with the Audited Statement of Accounts for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

(INR in crore)

	2021-22	2020-21
Revenue from operations	**2,895.58**	2,144.03
EBITDA	**234.62**	232.70
Finance Costs	**49.40**	76.83
Depreciation	**50.56**	50.31
Profit before tax	**134.66**	105.56
Tax expense	**46.80**	38.46
Profit after tax	**87.86**	67.10
Other Comprehensive Income/(Loss)	**(0.20)**	0.51
Total Comprehensive Income	**87.66**	67.61
Earnings Per Share (Basic & Diluted) INR	**7.41**	5.66
Net Worth	**683.07**	607.26

2. DIVIDEND

The Board of Directors recommended a dividend of INR 1.20 per equity share of INR 10 each. The Dividend Distribution Policy is available on the website of the Company i.e. www.mangalorechemicals.com/investor/investor_dividend distribution_policy.

3. REVIEW OF OPERATIONS

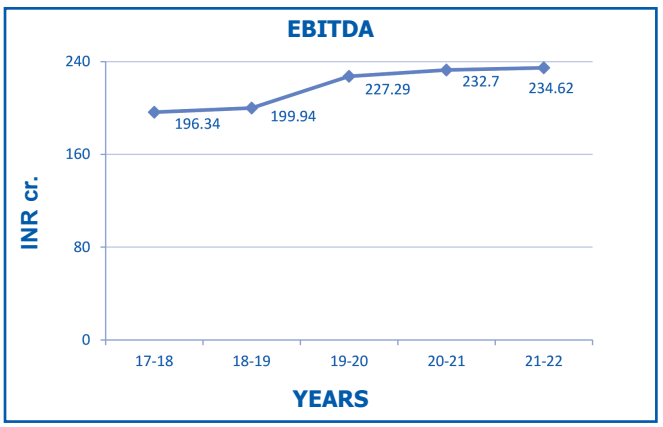
The revenue from operations for the year ended March 31, 2022 was INR 2,895.58 crore as compared to INR 2,144.03 crore for the year ended March 31, 2021.

The profit before tax for the year ended March 31, 2022 was INR 134.66 crore as compared to INR 105.56 crore for the year ended March 31, 2021. Total Comprehensive Income stood at INR 87.66 crore for the year ended March 31, 2022 compared to INR 67.61 crore for the previous year.

4. PRODUCTION

Urea

Your Company achieved production of 4,29,000 MTs during the year against the reassessed capacity of 3,79,500 MTs, compared to 3,53,607 MTs during the previous year with necessary approval.



Di-Ammonium Phosphate (DAP) and Complex Fertilizers

Your Company produced 2,51,854 MTs of Phosphatic Fertilizers during the year compared to 2,57,589 MTs in the previous year, based on the availability of raw materials.

Ammonium Bi-Carbonate (ABC)

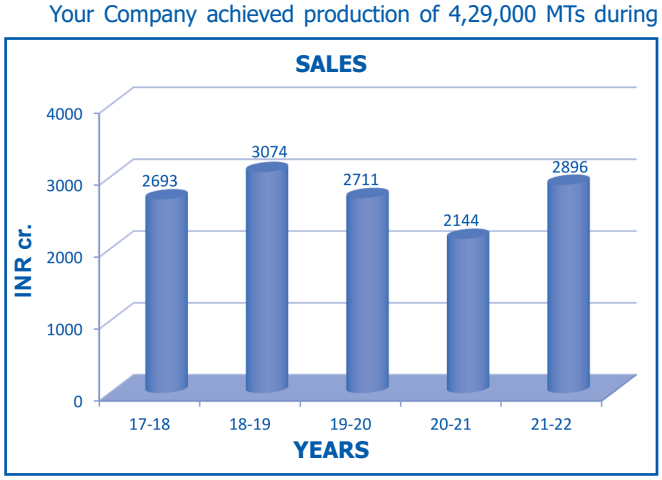
Production of ABC at 14,366 MTs during the year compared to 13,013 MTs in the previous year.

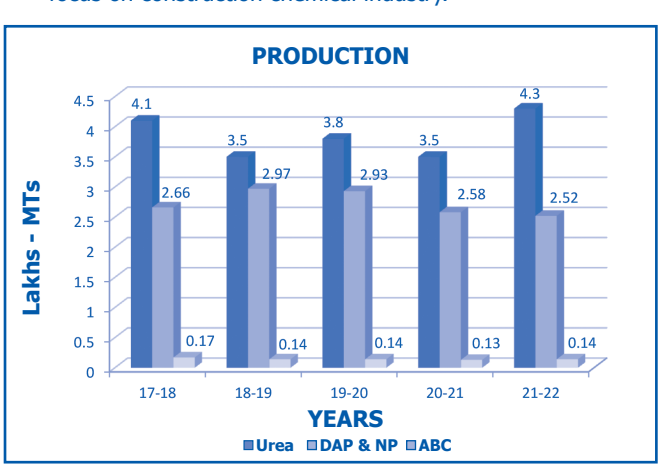
5. SALES

During the year, your Company sold 4,31,110 MTs of Urea compared to 3,48,325 MTs in the previous year. Sale of manufactured Phosphatic Fertilizers were 2,39,959 MTs compared to 2,66,770 MTs in the previous year. Sale of imported fertilizers were 26,010 MTs against 47,112 MTs in the previous year.

Sulphonated Naphthalene Formaldehyde (SNF)

The Company sold 18,135 MTs of SNF during the year, compared to 15,447 MTs in the previous year. The Company has continued with new product variants for applications in newer areas to improve plant utilization, in order to de-risk its focus on construction chemical industry.





Analytical and Advisory Service

To promote the concept of INM, R & D facility established at Hassan continues to analyze samples of soil, water, plant tissues, plant nutrients, organic manures, soil amendments, fertilizers etc. Through this facility, analysis of the samples pertaining to our customers is done and appropriate recommendations for soil health and crop management are given. Suitable follow up is done by our experts and extension workers to ensure effective implementation of the recommendation. All these are provided to our customers free of cost to ensure their active participation in achieving profitability and sustainability in agriculture.

6. WORKING CAPITAL

The subsidy receivables increased during the year on account of escalation in commodity prices coupled with rupee depreciation. The estimated interest cost on account of delay in subsidy payment was INR 5.39 crore for the year 2021-22.

7. AMMONIA PLANT ENERGY IMPROVEMENT PROJECT

The ammonia plant is being revamped under KBR's technology licensing. Considerable progress was made in the year 2021-22. Majority of civil work have been completed. Pre fabrication, mechanical & piping works have been started. The project is scheduled to complete in August 2022.

8. FERTILIZER POLICY

The writ petition filed by the Company before the Hon'ble High Court of Delhi (DHC) seeking remedy against some restrictive & discriminatory conditions imposed by the Notification No.12018/4/2014-FPP dated June 17, 2015, was disposed since the GOI confirmed that the Company would be eligible for the benefits as are available to other manufacturers of Urea who have converted their manufacturing processes to gas based and are now utilizing gas for production of Urea.

The GOI issued Notification No.12012/1/2015-FPP dated March 28, 2018 confirming the availability of benefits to the Company for having converted its manufacturing process to gas based, on receipt & use of gas for production of Urea and continuation of existing policy till March 2020.

The Company has filed a writ petition against the DoF before DHC after its vain representations against arbitrary and discriminatory non-extension of existed energy norms beyond March 2020 and bench marking the cost of production of Urea by using naphtha with that of gas price of fertilizer companies recently converted to natural gas.

The Nutrient Based Subsidy Scheme (NBS) was introduced by the GOI with effect from April 1, 2010 after de-controlling the DAP / complex fertilizers, where annual/bi-annual concession rates are announced in advance leaving the market realization to reflect the fluctuations in respective commodity prices. However, the GOI is monitoring the market realization.

9. SAFETY, HEALTH, ENVIRONMENT AND POLLUTION CONTROL

SAFETY

During the year, periodic audits of Safety, Health and Environment Management System were carried out by M/s DNV.

Your Company has taken measures to further strengthen safety systems inside the factory. 5 sets of Arc Flash Protective Suits were procured additionally for protecting Electrical personnel from the hazard of electric arc flashes. Fixed foam protection system has been commissioned for the new HSD Tank.

Third party safety audit has been carried out for the entire factory. Extensive training programs related to fire prevention and basic fire fighting, usage of breathing apparatus, usage of personal protective equipment, emergency management, work permit system, Safety, Health and Environment management system were organized for employees. Regular mock drills were also conducted to check the emergency preparedness. Promotional campaigns like National Safety Day, Fire Service Week and Chemical Disaster Prevention Week were undertaken.

Fire fighting training is being conducted every Friday regularly to train the employees and also contractors' workman. This year basic fire fighting training was imparted to employees through Karnataka State Fire and Emergency services.

A Public Awareness Programme was conducted in association with Rotary Club at Govinda Dasa College, Surathkal.

MCFL won 'Unnatha Suraksha Puraskara' - the 1st prize in the state level safety awards instituted by National Safety Council, Karnataka Chapter for the category of industries involved in manufacture of Iron, Steel, Aluminium, Cement & Fertilizers.

MEDICAL SERVICES

Annual medical examinations were conducted for all the employees and contract workers which included general physical examination, systemic examination and laboratory investigations and employees with abnormal findings were advised accordingly. Special tests like Pulmonary function test, Audiometry and Vision tests were conducted for employees as a part of Statutory requirement. Health data of all the employees is maintained in Form No. 16.

Medical examination of the canteen workers was conducted emphasizing on personal hygiene and tests were conducted for any communicable diseases. Employees of Ammonium Bi Carbonate (food grade) Plant were examined for any communicable / skin diseases and were immunized against diseases like Hepatitis B and Typhoid as per schedule.

First aid training programmes were conducted for employees and contract workers regularly by Faculty from Indian Red Cross Society and ORBIT. Awareness programmes on "Health and Personal Hygiene" were conducted regularly for Canteen workers and ABC Plant employees.

Voluntary Blood Donation Camps were organized for the employees on 29th July 2021 & 23rd March 2022 in association with KMC Hospital, Mangalore and Blood Bank, Indian Redcross Society. Total 200 units of blood was collected in the camp.

Equipment like Spine Board with head immobilizer, Cervical Collar and Suction Apparatus were procured at OHC for handling emergency cases more effectively.

ENVIRONMENTAL MANAGEMENT

As an ISO 14001 certified company, many environmental

management programs have been implemented to improve the environmental performance of the Company.

The Company has changed its Feedstock and Fuel from Naphtha to cleaner Natural Gas which has significantly reduced Sulphur Dioxide emissions.

Your Company is a zero liquid discharge company since 2010 by treating and recovering its effluent and sewage waters and reusing them. The rainwater harvesting system and sewage treatment plants are already installed at township for employees. In addition to the existing 64 acres of green belt in manufacturing site, your Company has planted 2,000 saplings during 2021-22.

Environmental Management System (EMS) in line with the new version, ISO 14001:2015 was implemented during the year 2017 and was recertified by M/s Det Norske Veritas, Bangalore during the year 2020. Continuous Ambient Air Quality Monitoring (CAAQM) station installed inside factory premises measures the ambient air quality continuously. Ambient air quality data from CAAQM station is being displayed in LED display board at the entrance of the factory facing National highway for public information. Your Company has also installed Continuous Online Monitoring Systems in Urea prill tower, Di-Ammonium Phosphate plant stack, Sulphuric Acid plant stack. Online analyser for NOx measurement in Captive Power Plant stacks and main plant Boiler stacks were installed and commissioned during the year 2020-21 as per the Central Pollution Control Board (CPCB) guidelines.

In-house Environment Laboratory at factory has been assessed and accredited in accordance with standard ISO/IEC 17025:2017 by National Accreditation Board for Testing and Calibration Laboratories (NABL). "E-waste Collection Facility" has been provided inside factory and also at MCFL Township for collection and disposal of E-waste generated in a scientific manner. A Biogas plant is installed to generate cooking gas from canteen food waste is operational and is contributing towards savings of natural resources. The Company has installed Organic waste composting facility at its township to treat the wet waste generated in the colony houses.

The Company is in the process of registering itself with CPCB with respect to Plastic Waste Management Rule, 2016 and plans to collect, transport and recycle the entire plastic waste generated in the market with the help of a third party.

Your Company was awarded the **"Best Environment Protection Award"** in the Nitrogenous Fertilizer Plants category for the performance in year 2020-21 by Fertilizer Association of India. The award was received in the 57th Annual FAI Seminar held on December 01, 2021 in New Delhi.

Green Power

Your Company has taken up initiative by commissioning Roof Top Solar Photo Voltaic System with a capacity of 251.23 kWp at plant in Mangalore in January 2019. During the year, 3,17,200 kWh and since commissioning, 11,07,440 kWh, of solar power was generated.

Management of COVID – 19

COVID Vaccination drive was conducted at OHC in association with Health & Family Welfare Department, GOK and Medical College Hospitals and all the employees and contract employees received 2 doses of vaccine against COVID.

Regular awareness programmes were conducted for employees and contract employees on management and preventive measures of COVID Pandemic.

Isolation room with all facilities like oxygen supply system, pulse oximeter, emergency medicines and trained staff is kept ready at OHC. Oxygen Concentrator (BPL Make, 5 Ltr. Capacity) was procured for emergency usage at OHC.

Isolation ward with 10 beds is kept ready in MCF Township and all the beds are connected with Oxygen supply system to manage the symptomatic cases.

Under CSR activities, Artificial Limbs were provided to 14 poor and needy handicapped people and training was provided for the proper usage of the same.

3 numbers of PSA Type Oxygen Generation Plants were installed, one each at ESI Hospital, Mangalore, Taluk Government Hospital, Vittal and Taluk Government Hospital, Hebri for the management of emergency cases.

10. ANNUAL RETURN

Annual Return referred to in Section 92(3) of the Companies Act, 2013 will be available on the website of the Company i.e. www.mangalorechemicals.com/investor/annual_return.

11. a) BOARD MEETINGS

During the year, six Board Meetings were held on May 05, 2021, May 15, 2021, August 02, 2021, September 16, 2021, November 09, 2021 and February 01, 2022. The details of the composition of the Board and attendance of the Directors at the Board Meetings, are provided in the Corporate Governance Report attached as Annexure 5.

b) AUDIT COMMITTEE

During the year under review, six Audit Committee Meetings were held and all the recommendations of the Audit Committee were accepted by the Board. The details of the composition of the Audit Committee and details of committee meetings are given in the Corporate Governance Report attached as Annexure 5.

12. DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

13. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration of independence from the Independent Directors and the same have been noted by the Board of Directors in its meeting held on May 17, 2022.

14. DIRECTORS

Mr. N Suresh Krishnan, (DIN:00021965) Non-Executive Director retired by rotation at the Annual General Meeting held on September 16, 2021 and opted not to be re-appointed. Mr. K Prabhakar Rao (DIN:00898513), Director-Works was superannuated from the services of the Company from the closing hours of December 31, 2021. Mr. Dipankar Chatterji (DIN:00031256), Independent Director, completed his first term of three years on May 13, 2022 and chose not to be re-appointed.

Mr. D A Prasanna (DIN:00253371), Independent Director, completed his first term of five years on May 05, 2021 and his re-appointment for a second term of 5 years with effect from May 06, 2021 to May 05, 2026 was approved by the shareholders at the Annual General Meeting of the Company held on September 16, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board had appointed Mr. Shubhabrata Saha (DIN:03036747) as the Managing Director of the Company for a term of five years w.e.f. September 16, 2021 to September 15, 2026 and his appointment was approved by the shareholders through postal ballot on December 28, 2021 (last date of e-voting).

Mr. Nitin Manguesh Kantak (DIN:08029847) was appointed as Additional Director (Non-Executive Director) with effect from January 01, 2022 and his appointment was approved by the shareholders through postal ballot on March 29, 2022 (last date of e-voting).

Mr. Marco Philippus Ardeshir Wadia (DIN:00244357) was appointed as Additional Director (Independent) with effect from May 13, 2022.

Mr. Akshay Poddar (DIN:00008686) Non-Executive Director and Chairman of the Company is retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

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

15. DIRECTORS TRAINING & FAMILIARIZATION

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, formulates programs to familiarize new Independent Directors inducted on the Board with the Company, nature of the industry, business model and their roles and responsibilities.

16. PERFORMANCE EVALUATION

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

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

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

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

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

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

17. NOMINATION AND REMUNERATION POLICY

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

The Nomination and Remuneration Policy is placed on the website of the Company i.e. www.mangalorechemicals.com investor/investor_nomination_remuneration_policy.

18. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of the Companies Act, 2013 the Board of Directors have constituted a CSR Committee and also approved the CSR Policy.

Terms of Reference:

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

- The Corporate Social Responsibility Committee shall meet atleast once in a financial year.

- The quorum for the meetings shall be at least 2 members.
- The Committee shall recommend the amount of expenditure to be incurred on the CSR activities on an annual basis.
- The Committee shall monitor & recommend to the Board changes to the Corporate Social Responsibility Policy from time to time.
- The Company Secretary shall act as the secretary of the CSR Committee.

During the year, the Committee met twice on May 04, 2021 and August 02, 2021. The attendance at the meeting was as follows:

Name of the member	Status	No. of meetings attended
Rita Menon	Chairperson	2
D A Prasanna	Member	2
N Suresh Krishnan*	Member	2
K Prabhakar Rao#	Member	2
Shubhabrata Saha$	Member	-

*upto 16.09.2021, # upto 31.12.2021, $ w.e.f. 16.09.2021.

Based on the recommendation of the CSR Committee, the Company has formulated a comprehensive CSR policy. The detailed Annual Report on Company's CSR activities is furnished in Annexure 1 attached to this report.

20. WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

The Whistle Blower Policy provides for adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Whistle Blower Policy is placed on the website of the Company i.e., www.mangalorechemicals.com/investor/investor_whistle_blower_policy.

21. RISK MANAGEMENT

The Company has the requisite processes and procedures in place to identify and assist in minimizing exposure to risk that threaten the existence of the Company. Based on the recommendation of the Risk Management Committee, the Board has put in place a risk management policy to monitor and review potential risks.

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

22. LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 during the year. The details of the investments made by Company are given in the notes to the financial statements.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year were at arm's length. All related party transactions were approved by the Audit Committee and the Board of Directors. The details of related party transactions as per Form AOC–2 is enclosed as Annexure 2 to the Directors' Report. There were no related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

24. DEPOSITS

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

25. STATUTORY AUDIT

The Statutory Auditors, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, were appointed to hold office from the conclusion of 50th Annual General Meeting till the conclusion of 55th Annual General Meeting of the Company.

26. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company re-appointed Mr. S. Kedarnath, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year 2021-22. The Secretarial Audit report is annexed herewith as Annexure-3.

27. COST RECORDS & COST AUDIT

The Company is required to maintain cost records as per Section 148(1) of the Companies Act, 2013, and accordingly such accounts & records are made and maintained. The Company appointed Mr. Y. K. Venkatesh, Cost Accountant, Membership No. 5294, as the Cost Auditor for the year 2021-22. The Cost Audit Report for the year ended March 31, 2021 was filed by the Company with the Ministry of Corporate Affairs on August 31, 2021.

28. AUDITORS' REPORT

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

29. MATERIAL CHANGES & COMMITMENTS

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

30. SIGNIFICANT & MATERIAL ORDERS

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

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

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

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

32. COMPLIANCE OF SECRETARIAL STANDARDS

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

33. DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, shall form part of this report. However, in terms of Section 136 of the Companies Act, 2013, this report is being sent to all the members of the Company excluding the aforesaid information. The said particulars are available for inspection by the Members at the Registered Office of the Company.

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been filed or pending before the Committee during the year.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 4 attached to this report.

36. OTHER DISCLOSURES UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND SCHEDULE V OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

No application was made or any proceedings filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2021-22. The Company has not given any Loans and Advances in the nature of loans to firms/ companies in which Directors are interested. There were no one time settlement against any of the loan availed by the Company from the Banks or Financial Institutions during the Financial Year 2021-22.

37. CORPORATE GOVERNANCE

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

A detailed Corporate Governance Report in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding the corporate governance practices followed by the Company and the certificate from Practicing Company Secretary relating to compliance of mandatory requirements along with Management Discussion and Analysis report are given as Annexure 5 and 6 respectively. A statement regarding opinion of the Board, with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year is given in Corporate Governance Report annexed as Annexure 5.

38. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the top 1000 listed companies based on market capitalization calculated as on March 31 of every financial year, need to prepare business responsibility report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format as specified by SEBI vide its circular dated November 04, 2015. Accordingly, your Company being one of the top 1000 listed companies based on market capitalization as on March 31, 2022, has prepared business responsibility report which is annexed as Annexure 7.

39. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the guidance and advice given by Mr. N Suresh Krishnan, Mr. K Prabhakar Rao and Mr. Dipankar Chatterji.

Your Directors thank the Company's clients, vendors, investors and bankers for their support. Your Directors also wish to place on record their appreciation of the excellent performance of the employees.

Your Directors express their gratitude to the Government of India, the State Governments, the Customs and Excise Departments and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors,

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M Kantak
Director
DIN: 08029847

May 17, 2022

Annexure 1

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief out line on CSR Policy of the Company.

   Corporate Social Responsibility Policy (CSR Policy) of Mangalore Chemicals & Fertilizers Limited (MCFL) encompasses the Company's philosophy to discharge its social responsibility in the up-liftment/development of the communities in its operating territory and mechanism for undertaking CSR activities/projects/programs with reference to provisions and Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

   The CSR policy of the Company provides for following areas of focus and activities:

Focus Area	Activities
Promotion of Education	Mangala Akshara Mitra
Sanitation & Drinking water	Swacha Vidyalaya
Health Care	Project Eye Care & Health Care
Community Development	Rural Area Development
Environmental sustainability	Ensuring environmental sustainability, animal welfare, agro-forestry and maintain quality of water.

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	Rita Menon	Chairperson	2	2
2	D A Prasanna	Member	2	2
3	N Suresh Krishnan@	Member	2	2
4	K Prabhakar Rao#	Member	2	2
5	Shubhabrata Saha$	Member	N.A.	N.A.

@ upto 16.09.2021, # upto 31.12.2021, $ w.e.f. 16.09.2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://www.mangalorechemicals.com.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1	2020-21	Nil	Nil
	Total	Nil	Nil

6. Average net profit of the Company as per Section 135(5): INR 7,637.28 lakh
7. (a) Two percent of average net profit of the Company as per Section 135(5): INR 152.75 lakh

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

   (c) Amount required to be set-off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year: INR 152.75 lakh
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,52,75,372	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in INR)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount allocated for the project (INR in lakh)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Mangala Akshara Mitra	Promotion of Education	Yes	Karnataka	Dakshina Kannada & Dharward	24.87	Yes	Not applicable	
2.	Swacha Vidyalaya	Sanitation & Drinking water	Yes	Karnataka	Dakshina Kannada & Udupi	10.04	Yes	Not applicable	
3.	Project Eye Care & Health Care	Health Care	Yes	Karnataka	Dakshina Kannada & Udupi	88.03	Yes	Not applicable	
4.	Community Development	Rural Area Development	Yes	Karnataka	Dakshina Kannada, Uttara Kannada & Vijayapura	21.84	Yes	Not applicable	
5.	Environmental sustainability	Ensuring environmental sustainability, animal welfare, agro-forestry and maintain quality of water	Yes	Karnataka	Dakshina Kannada	7.97	Yes	Not applicable	
	Total					**152.75**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 152.75 lakh

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

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	152.75 lakh
(ii)	Total amount spent for the Financial Year	152.75 lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): Not applicable

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable
    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

Shubhabrata Saha
Managing Director
DIN: 03036747

Rita Menon
Chairperson, CSR Committee
DIN: 00064714

Annexure 2

Form No. AOC - 2

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

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

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

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

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

   There were no material contracts/arrangements or transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm's length, the details of which are given in the notes to financial statements.

For and on behalf of the Board of Directors,

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M Kantak
Director
DIN: 08029847

May 17, 2022

Annexure 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

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

To,
The Members,
Mangalore Chemicals and Fertilizers Limited,
Bengaluru – 560001

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Mangalore Chemicals and Fertilizers Limited having CIN: L24123KA1966PLC002036** (herein after called the company). Secretarial Audit was conducted in a manner that provided us the reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the Financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2022, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

IV. Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations) including the requirements with regard to the disclosure of information on Company's website and other disclosure and reporting requirements to the Stock Exchanges during the Financial Year.

There were no occasions during the financial year requiring specific compliance under the provisions of the following Regulations and Guidelines:

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended till date;

f) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, as amended till date;

g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;

h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended till date;

VI. We further report that based on the information and explanations, and the records maintained, the Company has, in our opinion, complied with the provisions of:

1. Industry Specific Laws

a) The Fertilizers (control) Order, 1985
b) The Fertilizers (Movement Control) Order, 1973
c) Essential Commodities Act, 1955
d) The Competition Act, 2002
e) The Environmental Protection Act, 1986
f) The Water (Prevention and Control of Pollution) Act, 1974
g) The Air (Prevention and Control of Pollution) Act, 1981
h) The Hazardous Waste (Management and Handling) Rules, 1989
i) Legal Metrology Act, 2009
j) Prevention of Food Adulteration Act, 1954 read with Rules made thereunder

2. General Laws

k) Industrial and Labour laws as applicable to the Company
l) The Factories Act, 1948
m) Indian Boilers Act, 1923
n) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with respect to:

(i) The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has generally complied with the said Standards.

(ii) The Listing Agreement/s entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited (NSE) read with the SEBI (LODR) Regulations, 2015:

and report that the Company has generally complied with the same.

We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs.

We further report that:

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

Adequate notice was given to all the Directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda was sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Sub committees of Board reconstituted during the financial year by following necessary provisions governing the same. Majority decisions were carried through by the Board at its meetings and minutes of meetings are self-explanatory with regard to dissenting member's views, if any.

We further report that the Company has developed and implemented adequate systems and processes, commensurate with its size and operations, to effectively monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There are also processes and adequate procedures in place for minimizing exposure to risks which may threaten the very existence of the Company. The Company has generally complied with the requirements of the provisions governing Corporate Social Responsibility.

We further report that during the Financial Year there were no significant events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Bengaluru **S Kedarnath**
Date : 29th April, 2022 **Company Secretary**
UDIN : F003031D000239069 **CP No: 4422, M No: 3031**

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

'ANNEXURE-A'

To,
The Members,
Mangalore Chemicals and Fertilizers Limited,
Bengaluru – 560001

My report (2021-22) of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My 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 Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.

3. We have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.

4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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.

Place : Bengaluru **S Kedarnath**
Date : 29th April, 2022 **Company Secretary**
UDIN : F003031D000239069 **CP No: 4422, M No: 3031**

Annexure 4

Conservation of Energy, Research and Development & Technology Absorption, Foreign exchange earnings and outgo

Conservation of Energy

A. Power and Fuel Consumption

Sl. No.	Description	Unit	Current Year 2021-22	Previous Year 2020-21
1.	**Electricity**			
	A. Purchased Units	Lakh kwh	151.21	98.02
	Total amount (including minimum demand charges)	INR lakh	1,310.53	834.86
	Minimum demand charges	INR lakh	171.36	153.22
	Unit rate: (excluding minimum demand charges)	INR/kwh	7.53	6.96
	B. Own Generation			
	B.1 Through Generator			
	Units (using furnace oil)	Lakh kwh (net)	-	1,412.24
	Units (using natural gas)	Lakh kwh (net)	2,986.99	913.16
	Units per litre of furnace oil (for power generated using furnace oil)	Kwh/l	-	4.121
	Units per mmbtu (gross) of natural gas (for power generated using natural gas)	Kwh/ mmbtu gross	101.73	104.48
	Unit cost (average)	INR/kwh	12.28	8.34
	B.2 Solar Power Generation	Lakh kwh (net)	3.172	3.14
2.1	**Furnace oil (for power)**	Kl	-	34,281.275
	Total amount	INR lakh	-	9,140.94
	Average rate	INR/kl	-	26,664.54
2.2	**Natural gas (for power)**	Mmbtu(g)	29,36,283.021	8,74,034.516
	Total amount	INR lakh	30,829.43	5,743.63
	Average rate	INR/ mmbtu(g)	1,049.95	657.14

B. Consumption per unit of production

Products	Unit	Current Year 2021-22	Previous Year 2020-21
Electricity (per metric ton)			
- Urea	Kwh	692.18	645.15
- DAP	Kwh	47.23	40.30
- 20:20:00:13	Kwh	39.04	39.10
Furnace oil for steam	Kl/t of urea	-	0.047
Natural gas for steam	Mmbtug/t of urea	1.217	1.155
Furnace oil (per metric ton)			
- DAP	Kl	0.006	0.006
-20:20:00:13	Kl	0.009	0.008
Natural gas (per metric ton)			
- DAP	MMBTU(G)	0.116	-

Research and Development & Technology Absorption

A. Research and Development

1. Specific areas in which R&D were carried out by the Company : Following New products were developed in-house and put under field trials in different locations:

   1. Water Soluble Fertilizer (WSF) for Tomato
      (NPK 15:10:20 with S, Zn, B & Mo)
   2. WSF for Arecanut & Coconut
      (NPK 14:06:21 with S, Zn & B)
   3. WSF for Pomegranate
      (NPK 15:5:20 with S, Zn & B)
   4. WSF for Chilli
      (NPK 15:10:15 with S, Zn & B)
   5. WSF for Banana
      (NPK 12:08:24 with S, Zn, B & Mo)
   6. WSF for Strawberry
      (NPK 14:06:21 with S, Zn & B)
   7. (i) WSF for Grapes – April pruning
      (NPK 12:27 with S, Zn, B & Fe)
      (ii) WSF for Grapes – Flowering
      (NPK 5:14:30 with Zn & B)
      (iii) WSF for Grapes – Fruiting
      (NPK 5:30:28 with Zn & B)
   8. Liquid fertilizer NK 6:0:18 fortified with Calcium, Magnesium and Boron in Suspension form suitable for foliar spray were developed in-house
   9. Work in areas like Soil Fertility Index of different regions in the country, Developing Soil Fertility map, Refinement of Company Farmers App for easy access by the farmers and Nutrient uptake pattern of selected crops was carried out

10. Special grades of Sulfonated Naphthalene Formaldehyde SF34, SF35 & SF39 were developed and commercial scale production carried out.

2. Benefits derived as a result of the above R&D : 1. Providing customized solution to farmers
   2. Increased fertilizer use efficiency
   3. Increased MCFL product portfolio in Specialty Plant Nutrition (SPN) Segment & SNF Segment
   4. Increased visibility to company's products

3. Future plan of action : Development of State & Crop Specific Specialty Products and Crop Specific Blends, finding out new application techniques for existing products, screening of highly specialized products globally available, development of application schedule for Company products

4. Expenditure on R&D : No separate account is maintained.

B. Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Ammonia plant is being revamped to reduce specific energy consumption. New Syngas Compressor of higher efficiency, Low Energy CO_2 stripping process, new additional Ammonia Converter, additional heat recoveries are being implemented under this project.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution : Reduction in Specific Energy Consumption & Cost of Ammonia/Urea production.

3. In case of imported technology following information may be furnished : Not applicable

Foreign Exchange earnings and outgo during 2021-22

Foreign Exchange earned : INR 0.40 crore
Foreign Exchange used : INR 1,023.70 crore

Annexure 5

Corporate Governance Report

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

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

2. BOARD OF DIRECTORS

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

During the year, six Board Meetings were held on May 05, 2021, May 15, 2021, August 02, 2021, September 16, 2021, November 09, 2021 and February 01, 2022.

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

Name of Director	Category^	Skills/expertise/ competence	No. of Directorships in other companies+ as on 31-03-2022	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies++ as on 31-03-2022		Directorship in other Listed entity	
							Chairman	Member	Name	Category^
Akshay Poddar	Promoter/ Chairman/ NED	Honors in Accounting and Finance from London School of Economics and Political Science, University of London. Promoting and managing businesses in diversified industries like fertilizers, agri-inputs, heaving engineering, sugar, consumer products, real estate, investments and furniture etc.	15	06	12,18,503*	Yes	01	02	Adventz Securities Enterprises Ltd.	NED
									Texmaco Infrastructure & Holdings Ltd.	NED
									Texmaco Rail & Engineering Ltd.	NED
									Zuari Agro Chemicals Ltd.	NED
									Gobind Sugar Mills Ltd.**	NED
Shubhabrata Saha@	MD	MBA (NMIMS) & BE (Electrical), has extensive experience (over 29 years) with deep understanding of critical business drivers in both consumer and industrial sectors.	01	03	Nil	NA	-	-	-	-
N Suresh Krishnan#	NED	NA	NA	03	NA	Yes	NA	NA	NA	NA

Name of Director	Category^	Skills/expertise/ competence	No. of Directorships in other companies+ as on 31-03-2022	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies++ as on 31-03-2022		Directorship in other Listed entity	
							Chairman	Member	Name	Category^
K Prabhakar Rao$	WTD	NA	NA	05	NA	Yes	NA	NA	NA	NA
Nitin M Kantak%	NED	Chemical Engineer from Institute of Chemical Technology (Formerly UDCT), Mumbai. He has 39 years of experience in Nitrogenous and Phosphatic fertilizer industry in Plant Operations, Project Management & Commissioning, Process Engineering, and Technical Services.	03	01	500	NA	-	01	Zuari Agro Chemicals Ltd	ED
D A Prasanna	ID	IIM, Ahmedabad. has served in executive positions for over 32 years, most of it as CEO, MD, Executive Chairman and grown companies to leadership position in Information Technology, Healthcare, Education and Life Science sectors.	04	06	11,150	Yes	-	01	-	-
Rita Menon	ID	M A (Economics) from Delhi School of Economics, a retired IAS officer of 1975 batch. In her career as IAS officer she has held various positions from Joint Secretary to Secretary at various Central Ministries. Held directorships at various central and private sector undertakings	02	06	Nil	Yes	-	03	Chambal Fertilisers and Chemicals Ltd	ID

Name of Director	Category^	Skills/expertise/ competence	No. of Directorships in other companies+ as on 31-03-2022	No. of Board Meetings Attended	No. of shares held	Attendance at previous Annual General Meeting	No. of Board Committees of other companies++ as on 31-03-2022		Directorship in other Listed entity	
							Chairman	Member	Name	Category^
Dipankar Chatterji!	ID	Chartered Accountant by profession and is a senior partner in L B Jha & Co., Chartered Accountants, who are engaged in Consultancy, Audit and Assurance, or Tax and other Compliance Services. He is Vice-President of one of the top 10 B Schools in the country. He was appointed by RBI as a member of the Padmanabhan Committee set up to review RBI's supervision over Banks. He was a member of the Central Council of the Institute of Chartered Accountants of India and Chairman of the Auditing Practices Committee of the Institute of Chartered Accountants of India.	11	06	Nil	Yes	03	01	Nicco Parks & Resorts Ltd	ID
									Zuari Agro Chemicals Ltd	ID
Marco Philippus Ardeshir Wadia &	ID	Bachelor's degree in law from Bombay University. He has over 30 years of experience in the legal profession having specialised in corporate matters and mergers and acquisitions.	11	NA	Nil	NA	02	02	Chambal Fertilisers and Chemicals Ltd	ID
									Josts Engineering Company Ltd	ID
									Stovec Industries Ltd	ID

^MD – Managing Director, ID – Independent Director, NED – Non-Executive Director, WTD – Whole Time Director, ED – Executive Director
@ w.e.f. 16.09.2021, # upto 16.09.2021, $ upto 31.12.2021, % w.e.f. 01.01.2022, upto 13.05.2022, & w.e.f. 13.05.2022
+ Includes Directorship in other public and private companies
++Includes Audit Committee and Stakeholders' Relationship Committee only in public companies
*Excludes 83,928 shares credited after 31.03.2022
**Amalgamated with Zuari Global Limited effective from 30.04.2022

None of the Directors are related to each other.

Specific skills/expertise/competency identified/required

The following skills/expertise/competencies are identified to be required for the effective functioning of the Company which are currently available with the Directors.

a. Strategic skills

Creation & implementation of effective strategies, ability to think strategically to propose new ideas and future-oriented perspective. Need for clear vision on business models and strategic analysis.

b. Finance skills

The ability to analyse key financial statements, critically assess financial viability and performance, contribute to strategic financial planning and oversee budgets.

c. Regulatory matters

Understanding of the relevant laws, rules, regulation policies applicable to the organisation/ industry/sector and level/status of compliances thereof by the organisation.

d. Industry/Product related

Experience & knowledge of the industry and its dynamics.

e. Risk related

Identification of key risks including legal & regulatory compliance and advising on risk mitigation.

f. Business management

Experience at an executive level including the ability to evaluate the performance of the senior management, strategic human resource management and industrial relations; oversee large scale organisational change.

g. Corporate Governance related

Understanding of the best corporate governance practices, relevant governance codes and governance structure.

h. Personal attributes

Integrity & Ethics, Constructive participation, leadership qualities, innovative thinking and critical analysis.

Independent Directors

a. Familiarization Programme

The Company, in compliance with Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, formulates programs to familiarize new Independent Directors, inducted on the Board of the Company, nature of the industry, business model, their roles and responsibilities. The Independent Directors are having rich experience on the roles, rights and responsibilities of Independent Directors. A program about the nature of the industry and the business model of the Company being arranged.

b. Separate Meeting

A separate meeting of the Independent Directors was held on May 04, 2021 to discuss:

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

c. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and are independent of the management.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as given below:

- The Audit Committee shall meet at least 4 times in a year with not more than 120 days gap between two meetings.
- The quorum for the meetings shall be at least 2 Independent Directors and Chairman of the meeting shall be an Independent Director.
- The Audit Committee shall have the powers to investigate any financial activity, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

- The role of Audit Committee and the information that the Audit Committee shall review will be as specified in Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II.
- The Audit Committee shall review Policy on Related Party Transactions and Whistle Blower Policy on an annual basis.
- The Company Secretary shall act as the secretary to the Audit Committee.

Besides the above, the additional terms of reference of Audit Committee as per the Companies Act, 2013 includes reviewing and monitoring auditor's independence and performance, and effectiveness of audit process, examination of the financial statement and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, whenever it is necessary.

During the year, six meetings of the Audit Committee were held on May 05, 2021, May 15, 2021, August 02, 2021, November 09, 2021, January 27, 2022 and February 01, 2022.

The composition and the attendance of the members of the Audit Committee is as follows:

Name of the Director	Status	No. of meetings attended
Dipankar Chatterji @	Chairman	06
D A Prasanna	Member	06
Rita Menon	Member	06
Marco Wadia #	Chairman	NA

@ upto 13.05.2022, # w.e.f. 13.05.2022

4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee are as given below:

- The Nomination and Remuneration Committee shall meet at such intervals as may be necessary, but at least once in a year, to discharge its functions.
- The quorum for the meetings shall be at least 2 members including at least one Independent Director and Chairman of the meeting shall be an Independent Director.
- The role of Nomination and Remuneration Committee shall be as specified in Section 178 of the Companies Act, 2013 read with rules made thereunder and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.
- The Nomination and Remuneration Committee shall review Nomination and Remuneration Policy and Policy on Board Diversity on an annual basis.
- The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

During the year, four meetings of the Nomination and Remuneration Committee were held on May 04, 2021, August 02, 2021, September 16, 2021 and December 30, 2021.

The composition and the attendance of the members of the Nomination and Remuneration Committee is as follows:

Name of the Director	Status	No. of meetings attended
D A Prasanna	Chairman	04
Dipankar Chatterji @	Member	04
Akshay Poddar	Member	04
Marco Wadia #	Member	NA

@ upto 13.05.2022, # w.e.f. 13.05.2022

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has evaluated the performance of every Director and the evaluation process was carried out by circulating questionnaires on performance of duties, participation and contribution to the Board and Committees.

5. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee are as given below:

- The Committee shall meet at such intervals, as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended from time to time.
- The quorum for the meetings of the Committee shall be as per the applicable provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended from time to time.
- The Chairman of the Committee shall always be a member of the Board of Directors.

- The Committee shall monitor and review the risk management plan.
- The Committee shall review risk matrix and regulatory risk factors.
- The Committee shall review Foreign exchange Hedging policy and Risk Management Policy on an annual basis.
- The Committee shall exercise such powers and duties as may be delegated by the Board of Directors.
- The Company Secretary shall act as the secretary to the Committee.

During the year, two meetings of the Risk Management Committee were held on August 02, 2021 and January 27, 2022.

The composition and the attendance of the members of the Risk Management Committee is as follows:

Name of the Director/Member	Status	No. of meetings attended
K Prabhakar Rao $	Chairman	01
Shubhabrata Saha @	Chairman	01
D A Prasanna	Member	02
T M Muralidharan	Member	02

$ upto 31.12.2021, @ w.e.f. 01.01.2022.

6. REMUNERATION OF DIRECTORS

The Company did not have any pecuniary relationship or transaction with any Non-Executive Directors during the year 2021-22.

Remuneration by way of sitting fees was paid to the Non-Executive Directors during the financial year ended March 31, 2022 for attending the meetings of the Board and the Committees. Payment of remuneration to the Managing Director and Whole-Time Director was as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.

The details of the remuneration to the Directors are given below:

(INR in lakhs)

Name of the Director	Salary	Sitting fees	Perquisites	Stock Options	Bonus	Retirement benefit	Other remuneration*	Terms of service contract
ShubhabrataSaha @	151.14	Nil	0.14	Nil	Nil	11.12	Nil	Appointed as MD for a period of 5 years w.e.f. 16.09.2021. Termination with 3 months' notice by either party
N Suresh Krishnan &	Nil	2.10	Nil	Nil	Nil	Nil	2.5	NA
Akshay Poddar	Nil	3.80	Nil	Nil	Nil	Nil	5.00	Director liable to retire by rotation
Nitin M Kantak #	Nil	0.50	Nil	Nil	Nil	Nil	1.25	Director liable to retire by rotation
Rita Menon	Nil	5.50	Nil	Nil	Nil	Nil	5.00	Re-appointed as Independent Director for a period of 3 years w.e.f. 29.07.2020
D A Prasanna	Nil	6.50	Nil	Nil	Nil	Nil	5.00	Re-appointed as Independent Director for a period of 5 years w.e.f. 06.05.2021
K Prabhakar Rao $	59.12	Nil	21.52	Nil	23.34	11.48	Nil	NA
Dipankar Chatterji%	Nil	5.50	Nil	Nil	Nil	Nil	5.00	NA

@ w.e.f. 16.09.2021, & upto 16.09.2021, # w.e.f. 01.01.2022, $ upto 31.12.2021, % upto 13.05.2022
*as approved by the members in the AGM held on 16.09.2021.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders' Relationship Committee are as given below:

- The Stakeholders Relationship Committee shall meet at such intervals as it may be necessary, but at least once in a year, to discharge its functions.
- The quorum for the meetings shall be at least 2 members.
- The Chairman of the meeting shall be a Non-Executive Director and he shall be present at the Annual General Meeting.
- The role of Stakeholders Relationship Committee shall be as specified in Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II.

During the year, one meeting of the Stakeholders' Relationship Committee was held on February 01, 2022.

The composition and the attendance of the members of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Status	No. of meetings attended
D A Prasanna	Chairman	01
Rita Menon	Member	01
N Suresh Krishnan @	Member	-
Shubhabrata Saha #	Member	01

@ upto 16.09.2021, # w.e.f. 16.09.2021

Mr. Vijayamahantesh Khannur, Company Secretary is the Compliance Officer.

During the year ended March 31, 2022, the Company has received 08 shareholders' complaints and same are redressed to the satisfaction of the shareholders.

8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has designated the Company Secretary, as the Compliance Officer and authorized the Managing Director to monitor the compliance of the aforesaid regulations.

9. CODE OF BUSINESS CONDUCT AND ETHICS

The Company has in place, a Code of Business Conduct and Ethics for its Board members and the senior management, which has been posted on the Company's website. The board and the senior management affirm compliance with the code, annually.

10. GENERAL MEETINGS

The details of location, time and special resolutions passed at the previous three Annual General Meetings given below:

Date	Time	Venue	Special Resolutions Passed
September 16, 2021	4.00 P.M.	Through Video Conferencing	Re-appointment of Mr. D A Prasanna as an Independent Director
September 15, 2020	11.00 A.M.	Through Video Conferencing	a. Re-appointment of Mrs. Rita Menon as an Independent Director b. Re-appointment of Mr. K Prabhakar Rao as Director - Works
August 27, 2019	12.00 noon	Conference Hall, 1st Floor, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001	None

Special Resolutions passed through Postal Ballot

The Company has passed one special resolution through Postal Ballot during the year ended March 31, 2022.

11. MEANS OF COMMUNICATION

The quarterly financial results are normally published in Business Line, an English daily as well as Sanjevani, a vernacular daily. The results are also posted on the Company's website: www.mangalorechemicals.com/investor/investor_q_results

12. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

The Fifty Fifth Annual General Meeting of the Company will be held on **Tuesday, September 13, 2022 at 3.00 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

b. Financial Year

Financial Year – April 1 to March 31.

Financial reporting during the year 2022-23:

Quarter	Declaration of un-audited/audited financial results
Results for the quarter ending June 30, 2022	On or before 14th August 2022 or such prescribed period
Results for the half-year ending September 30, 2022	On or before 14th November 2022 or such prescribed period
Results for the quarter ending December 31, 2022	On or before 14th February 2023 or such prescribed period
Audited Annual Results for 2022-23	On or before May 30, 2023 or such prescribed period

c. Book closure dates: September 07, 2022 to September 13, 2022 (both days inclusive).

d. Dividend payment date: Within 30 days from the date of approval of shareholders

e. Listing on the Stock Exchanges

The Company's shares are presently listed on the following Stock Exchanges:

BSE Limited (Bombay Stock Exchange)
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI – 400 023

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

The Company has paid the annual listing fees to the Stock Exchanges and the custodial fees to NSDL and CDSL for the financial year 2021-22.

f. Stock Code

BSE Limited: 530011
National Stock Exchange of India Limited: MANGCHEFER
International Standard Identification Number (ISIN): INE558B01017

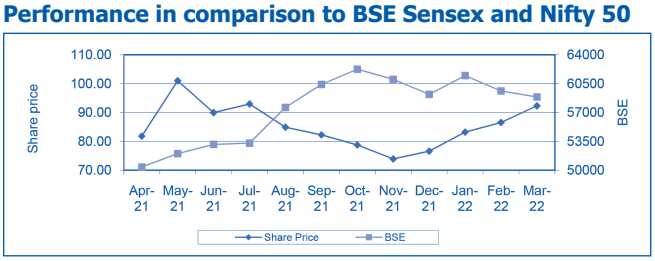
g. Market Price Data

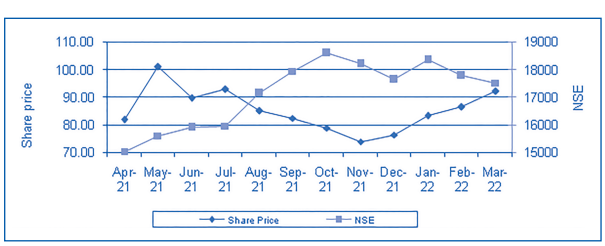
The monthly high and low quotations at BSE and NSE during the year under review are given below:

Month & Year	BSE		NSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April 2021	81.80	65.00	81.90	67.75
May 2021	101.00	76.95	101.00	77.00
June 2021	89.95	80.00	89.80	80.30
July 2021	92.95	78.50	93.00	78.30
August 2021	84.90	62.65	85.00	62.75
September 2021	82.25	71.55	82.40	71.45
October 2021	78.75	69.90	78.95	69.90
November 2021	73.90	63.00	74.00	63.05
December 2021	76.60	63.40	76.40	61.50
January 2022	83.20	70.50	83.30	70.35
February 2022	86.55	67.00	86.60	66.25
March 2022	92.30	66.95	92.30	64.40

Source: www.bseindia.com & www.nseindia.com

h. Performance in comparison to BSE Sensex and Nifty 50





Note: Highest traded price of the month is considered for the graph.

i. The securities were not suspended from trading during the year.

j. Registrars and Share Transfer Agents

M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002, have been engaged to provide both share transfer as well as dematerialization services.

k. Share Transfer System

The Share Transfers in physical mode above 1000 equity shares are approved by Stakeholders' Relationship Committee.

The Company has authorized the Company Secretary to approve share transfers involving up to 1000 shares with a view to expedite the process of share transfers.

l. Shareholding Pattern as on March 31, 2022

Category	No. of Shareholders	No. of Equity Shares	% of shareholding
Promoters & Promoters Group	10	7,16,67,758	60.47
Banks, FIs, Insurance Companies	236	2,16,741	0.18
Foreign Portfolio Investors	20	47,41,849	4.00
Private Corporate Bodies	378	67,66,053	5.71
Indian Public	57,614	2,84,67,244	24.02
NRIs/OCBs	478	7,33,355	0.62
Others	993	59,22,150	5.00
Grand Total	**59,729**	**11,85,15,150**	**100.00**

Distribution of shareholding as on March 31, 2022

	Shareholders	No. of Equity Shares	% of shareholding
Upto 1000	56,242	1,09,48,348	9.24
1001 - 5000	2,796	64,39,016	5.43
5001 - 10000	320	24,76,172	2.09
10001 - 20000	152	22,56,496	1.90
20001 - 30000	68	17,24,666	1.45
30001 - 40000	31	11,33,940	0.96
40001 - 50000	24	11,44,452	0.97
50001 - 100000	47	35,70,231	3.01
100001 & above	49	8,88,21,829	74.95
Total	**59,729**	**11,85,15,150**	**100.00**

m. Dematerialisation of shares and liquidity

The Company's equity shares having been mandated for settlement only in dematerialized form by all investors, the Company has signed tripartite agreements with the National Securities Depository Limited [NSDL], the Central Depository Services (India) Limited [CDSL] and Cameo Corporate Services Limited, to offer depository related services to its shareholders. As at March 31, 2022, 97.82% of the equity share capital of the Company has been dematerialized. Investors holding physical share certificates are advised to convert their holding to demat form in view of the various advantages associated with demat holding.

n. The Company has not issued GDRs/ADRs/Warrants and Convertible Instruments.

o. Commodity price risk or foreign exchange risk and hedging activities.

During the year, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures. The details of foreign currency exposure are disclosed in Note No. 41 to the Financial Statements.

p. Plant location: Panambur, Mangalore – 575 010

q. Address for Correspondence

Registered Office	Registrars and Transfer Agents
Mangalore Chemicals & Fertilizers Limited Level-11, UB Tower, UB City 24, Vittal Mallya Road Bengaluru - 560 001 Phone : +91 80 - 4585 5599 Fax: +91 80 - 4585 5588 Email: shares.mcfl@adventz.com	M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002 Ph. No.: +91 44-2846 0395 Fax No.: +91 44-2846 0129 Email: investor@cameoindia.com

The Company has designated the email ID shares.mcfl@adventz.com for registering investor complaints.

r. Credit ratings

CARE Ratings Limited (CARE), vide its press release dated December 20, 2021, has reaffirmed the rating of Long Term Bank Facilities to CARE BBB+; Stable (read as Triple B plus; Outlook: Stable) from CARE BBB; Stable (read as Triple B; Outlook: Stable) and of Long Term / Short Term Bank Facilities to CARE BBB+; Stable / CARE A3 + (read as Triple B plus; Outlook: Stable / A Three plus) from CARE BBB; Stable / CARE A3 (read as Triple B ; Outlook: Stable / A Three).

13. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company. However, please refer to the relevant Notes to the financial statements on related party transactions.

b. Details of non-compliance by the Company, penalties, strictures
The Company has complied with all the statutory requirements comprised in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there were no penalty / strictures were imposed on the Company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

c. The Company has a Whistle Blower Policy closely monitored by the management. No personnel has been denied access to the Audit Committee.

d. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

e. The Company does not have any subsidiary and hence policy on determining material subsidiaries is not applicable.

f. The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the Policy on Related Party Transactions and the same is placed on website of the Company www.mangalorechemicals.com/investor/investor_party_transaction.

g. The subsidy mechanism applicable for Urea appropriately recognizes commodity price fluctuations in respect of the required inputs. Similarly, subsidy mechanism under Nutrient Based Subsidy scheme applicable for DAP, MOP and other complex fertilizers and the market realization reflect the fluctuations in the respective commodity prices.

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

i. Certification from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this Report.

j. The Board has accepted all the recommendations of the various committees of the Board, in the relevant financial year.

k. Total fees for all services to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, is given in Note No. 30 to the Financial Statements.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
   i. number of complaints filed during the financial year: Nil
   ii. number of complaints disposed off during the financial year: Nil
   iii. number of complaints pending as on end of the financial year: Nil

m. The Company has adopted para C and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

n. The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

o. There are no shares in the demat suspense account or unclaimed suspense account.

Declaration regarding compliance with Company's Code of Business Conduct and Ethics

I, Shubhabrata Saha, Managing Director of Mangalore Chemicals & Fertilizers Limited, hereby declare that all Board members and senior management team have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended March 31, 2022.

Shubhabrata Saha
Managing Director
DIN:03036747

May 17, 2022

CERTIFICATES UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members
Mangalore Chemicals & Fertilizers Limited,

I have examined the compliance of conditions of Corporate Governance by the Mangalore Chemicals & Fertilizers Limited ("the Company") for the year ended March 31, 2022 as per the relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15(2) therein.

The compliance of conditions of Corporate Governance are the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanation given to me, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that none of the directors on the Company have been debarred or disqualified from being appointed or continuing as director of the Company as per the requirement of by SEBI/Ministry of Corporate Affairs or any such statutory authority.

I hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru
Date : 16th May, 2022
UDIN : F003031D000329161

S Kedarnath
Company Secretary
CP No: 4422 M No:3031

Annexure 6

Management Discussion and Analysis

Industry Structure and Developments

The Company has one major business segment, viz. Fertilizers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. About 66% of the Company's products are sold in the state of Karnataka, which meets about 12% of the needs of the farmers in the State. The Company maintains a good share of the market in Kerala and a modest share in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.

Threats and Opportunities

The writ petition filed by the Company before the Hon'ble High Court of Delhi (DHC) seeking remedy against some restrictive & discriminatory conditions imposed by the Notification No. 12018/4/2014-FPP dated June 17, 2015, was disposed since the GOI confirmed that the Company would be eligible for the benefits as are available to other manufacturers of Urea who have converted their manufacturing processes to gas based and are now utilizing gas for production of Urea.

The GOI issued Notification No.12012/1/2015-FPP dated March 28, 2018 confirming the availability of benefits to the Company for having converted its manufacturing process to gas based, on receipt & use of gas for production of Urea and continuation of existing policy till March 2020.

The Nutrient Based Subsidy Scheme (NBS) was introduced by the GOI with effect from April 01, 2010 after de-controlling the DAP/ complex fertilizers, where annual/bi-annual concession rates are announced in advance leaving the market realization to reflect the fluctuations in respective commodity prices. However, the GOI is monitoring the market realization.

From January 2018, the GOI has rolled out Direct Benefit Transfer (DBT) for payment of subsidy on sale by the retailers on pan India basis after pilot studies in some selected districts of various States, as against the earlier system of payment of subsidy on receipt basis into the respective districts and sales thereafter. DBT roll out resulted in delayed payment of subsidy which would follow the vagaries of agro climatic conditions, leading to elongated working capital cycle. The delay in payment of subsidy caused by DBT, higher subsidy demand due to higher commodity prices and rupee depreciation would contribute to higher working capital requirement and resultant higher finance cost.

Future Outlook

The demand for both Nitrogenous & Phosphatic fertilizers in India is increasing steadily and expected to grow at a compounded annual rate of about 3%. With the domestic production almost stagnant and the demand increasing, the supply deficit has to be met from imports. The Company has planned to import substantial quantity of fertilizers to meet the growing demand and has also finalized supply arrangements with certain local manufacturers of fertilizers, to augment total fertilizer availability in our marketing territory through our own marketing channel.

Financial and Operational Performance

a) Production Performance

Production of 4,29,000 MTs of Urea, 2,51,854 MTs of Complex fertilizers [DAP/NP] and 14,366 MTs of Ammonium Bi-Carbonate was achieved during the year.

b) Operating Results

The revenue from operations for the year ended March 31, 2022 was INR 2,895.58 crore as compared to INR 2,144.03 crore for the year ended March 31, 2021.

The profit before tax for the year ended March 31, 2022 was INR 134.66 crore as compared to INR 105.56 crore for the year ended March 31, 2021. Total Comprehensive Income stood at INR 87.66 crore for the year ended March 31, 2022 compared to INR 67.61 crore for the previous year.

c) Resource Utilization

The gross fixed assets and capital work-in-progress as at March 31, 2022 were INR 1,154.77 crore as compared to INR 895.59 crore in the previous year.

d) Working Capital

Net working capital as on March 31, 2022 was INR 75.43 crore.

Risks and Concerns

Due to any changes in Fertilizer policy, Urea production may get curtailed. Possible non-availability of raw materials & fertilizers and their rising prices for non-urea fertilizers are matters of concern. Roll out of DBT, continued under provisioning for fertilizer subsidy in the Union Budget and resultant delay in subsidy payment by Govt. of India would contribute to precarious working capital position which could impact production and increased finance costs. Considering the Company's plans for higher imports, depreciation of Indian rupee against the US dollar can adversely affect profitability. Increase in operating costs, mainly finance costs on working capital may adversely affect profitability.

Internal Financial Control Systems

Adequate internal financial controls are in place across various functions in the Company. The Company has migrated from SAP ECC 6.0 with EHP 8.0 version to the new SAP S/4 HANA (high-performance analytic appliance) version and GRC software, which have higher controls in place.

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

Human Resources and Industrial Relations

The Company continues to focus on employee training and development and had organized several technical and other soft skills training programs across levels. The Company constantly reviews/revises its policies and practices to stay aligned with the best in the industry.

The total strength of regular employees at the end of the year was 651.

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

Sr. No.	Particulars	March 31, 2022	March 31, 2021	Variation %	Reason for Variation
i.	Trade Receivable Turnover Ratio	4.93%	2.19%	125.0%	Due to improved collections
ii.	Interest Coverage ratio	4.27%	2.77%	54.0%	Due to reduction in finance costs
iii.	Operating Profit Margin (%)	6.36%	8.51%	(25.3%)	Due to increase in turnover due to increase in commodity prices
iv.	Return on Net Worth	12.86%	11.05%	16.4%	Earnings retained, ploughing back

Annexure 7

Business Responsibility Report

Mangalore Chemicals & Fertilizers Limited (MCFL) presents its 'Business Responsibility Report' (BRR), as mandated by Securities and Exchange Board of India (SEBI), and in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015.

Section A : General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L24123KA1966PLC002036
2	Name of the Company	Mangalore Chemicals & Fertilizers Limited
3	Registered address	Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001
4	Website	www.mangalorechemicals.com
5	E-mail id	shares.mcfl@adventz.com
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture, sale & trade in Fertilizers and Chemicals
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Urea, Di-Ammonium Phosphate (DAP) & Muriate of Potash (MOP)
9	Total number of locations where business activity is undertaken by the Company :	6
	(a) Number of International Locations (Provide details of major 5) :	NIL
	(b) Number of National Locations	6
10	Markets served by the Company	Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Telangana & Maharashtra

Section B: Financial Details of the Company

1	Paid-up Capital (INR)	118.55 crore
2	Total Turnover (INR)	2,895.58 crore
3	Total profit after taxes (INR)	87.66 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is INR 1.53 crore, which is 2% of the average profit after taxes in the previous three financial years.
5	List of activities in which expenditure in 4 above has been incurred	Through its CSR projects, the Company reaches out to the deprived communities to bring about a change in their lives. The various activities carried out are: a. Healthcare including Project Eye Care. Free distribution of artificial limb. b. Education including providing furnitures/fixures to government schools and colleges to enable the rural children better standard of education. Construction of toilets and providing drinking water to Schools. c. Sports, Arts & Culture including rural sports & national recognized sports. d. Community Development including Adoption of village, Community Hall. e. Mass tree planting/social forestry/development of greenery. Adoption of animals.

Section C : Other Details

1	Does the Company have any Subsidiary Company/Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:	Our suppliers are not directly involved with the Responsible Business initiatives.

Section D : BR Information

1. Details of Director/Directors responsible for BR

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

1	DIN Number	03036747
2	Name	Shubhabrata Saha
3	Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	03036747
2	Name	Shubhabrata Saha
3	Designation	Managing Director
4	Telephone number	080-45855512
5	e-mail ID	shubhabrata.saha@adventz.com

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

Names of principles:

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

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

P3 – Businesses should promote the well-being of all employees.

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

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

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

P8 – Businesses should support inclusive growth and equitable development.

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The following policies relevant to external stakeholders are hosted on Company's website-www.mangalorechemicals.com under Investors-Policies Policy on prevention of Sexual Harassment at workplace, Whistle Blower Policy, Nomination and Remuneration Policy, Code of Fair disclosure of unpublished price sensitive information, Code of Business Conduct and Ethics, Archival Policy, Policy on Board Diversity, CSR Policy, Code of conduct and Ethics for employees of the Company, Policy on determination of materiality of event, Policy on preservation of documents, Risk Management Policy, Related Party Transactions & Code of Conduct to Regulate, Monitor and report Trading In Securities of the Company https://www.mangalorechemicals.com/investor/policies/								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Company's policies are not audited/evaluated by external agencies. However, as a good corporate practice, the policies are reviewed by various committees of the Board of Directors and the Board of Directors reviews, amends the policies on periodical basis to incorporate statutory and business requirements								

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

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

3. Governance related to BR

- **Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company**

  The Board of Directors discuss the Business Responsibility Report annually and it reviews Safety, Health & Environment performance on quarterly basis as part of quarterly Board Meetings for financial results. CSR Committee discusses the CSR activities & annual report thereon on an annual basis.

- **Publication of BR or a Sustainability Report and its frequency**

  The Company publishes the Business Responsibility Report as part of the Company's annual report.

Section E : Principle-wise performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Yes. The Company is committed to ethical and lawful business conduct and perceives it critical to the Company's success. The Code of Conduct and Business Ethics prescribes that the Directors and Employees shall act with integrity, probity, honesty, transparency and with utmost good faith in performing their duties & functions.

   The Code applies to all the Directors, officers and employees of the Company and not to Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others.

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

   During the reporting period, no complaint was received.

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

1. List of 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
   - Mangala Urea (Neem coated);
   - Mangala DAP;
   - Mangala 20:20:0:13

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

   Supply of Neem coated urea increases nitrogen use efficiency by delaying nitrification process, thus reducing requirement of Urea per unit of agricultural land.

3. Does the Company has procedures in place for sustainable sourcing (including transportation)?

   Yes.

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

   All bulk raw materials namely phosphoric acid, ammonia, sulphur, Carbon Dioxide gas used as input for manufacturing chemicals and fertilizers are sourced sustainably by transporting through authorized handling & transportation agencies/contractors in bulk. The raw materials transported are safe handled with extreme care to prevent any spillage. The natural gas is directly supplied through pipeline from Cochin terminal which has reduced the environment risk of transportation to minimum and the system is highly reliable and sustainable.

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

   Yes. The Company procures goods and services from local & small producers on need to procure basis.

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

   No specific steps for improving capacity and capability of local & small vendors. However, public awareness programmes on safe handling of goods are conducted periodically.

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

   The Company has mechanism and facility to recycle its fertilizers in its production plants, in case of any spillage during storage/handling. The Company has implemented "Reduce, Reuse, Recycle" concept for effective waste management. The wastes like spent catalyst & used/waste oil, which are categorized as hazardous waste, are collected separately and sent to CPCB/KSPCB authorized recyclers. These wastes are transported to the recyclers through authorized transporters. The sludge from waste water recovery plant is reused as filler in DAP plant after drying. The sulphur cake generated in Sulphuric acid plant and gypsum waste generated in Sulphonated Naphthalene Formaldehyde plant are reused as filler in DAP plant. The Company is in the process of registering itself with CPCB with respect to Plastic Waste Management Rule 2016 and plans to collect, transport and recycle the entire plastic waste generated in the market with the help of a third party. The process of collection of waste from market has already been initiated.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:
   Total number of employees as on March 31, 2022 was 651.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:
   Total number of employees hired on temporary/contractual/casual basis as on March 31, 2022 was 548.

3. Please indicate the number of permanent women employees:
   The number of permanent women employees is 16.

4. Please indicate the number of permanent employees with disabilities:
   The number of permanent employees with disabilities is NIL.

5. Do you have an employee association that is recognized by management:
   There is one registered trade union representing workers, by name M.C.F. Mangala Workers Union.

6. What percentage of your permanent employees is members of this recognized employee association:
   The percentage of permanent employees who are members of M.C.F. Mangala Workers Union is 1.23%.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the March 31, 2022:

No.	Category	No of complaints filed during 2021-22	No of complaints pending as on March 31, 2022
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees: 72.40%
   (b) Permanent Women Employees: 88.88%
   (c) Casual/Temporary/Contractual Employees: 100%
   (d) Employees with Disabilities: NA

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

1. Has the Company mapped its internal and external stakeholders?
   Yes. The Company has mapped its internal and external stakeholders which include employees, communities surrounding our operations, customers and shareholders.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
   Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders from the local community and works towards the upliftment of socio-economically disadvantaged stakeholders, through CSR activities.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.
   Our CSR initiatives makes it a point to focus attention on the disadvantaged segments of the society and directs the CSR efforts to change their lives. People with disability, poor, tribals, uneducated people from the rural areas in around our operating areas, especially children, youth and women from these backgrounds are the key beneficiaries of our CSR endeavours. Our CSR specially focusses on education, Sanitation, Health care & Rural development. Details are provided in Annexure 1 to the Directors Report.

Principle 5: Businesses should respect and promote human rights

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

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

Mangalore Chemicals & Fertilizers Ltd. is committed to the Environmental Protection to sustain the pollution free environment and maintain ecological balance.

More emphasisis given to safeguard the environment in and around the complex and to ensure that all statutory requirements with respect to Pollution control are complied with. This is achieved by responsible use of natural resources through effective implementation of Integrated Environment and Occupational Health & Safety Management System. MCFL is an ISO 14001: 2015 and ISO 45001:2018 certified company.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?
   The Safety, Health and Environment Policy covers the Company, contractors and public implementing sustainable development, high safety, health and environmental performance.
2. Does the Company has strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N.
   Yes. The Company has changed its Feedstock and Fuel from Naphtha to cleaner Natural Gas which has significantly reduced Sulphur Dioxideemissions to below detection limits and has considerably reduced NOx emissions too.
3. Does the Company identify and assess potential environmental risks? Y/N
   Yes. The Company identifies and assesses potential environmental risks by auditing the operating plants, storage areas through both external Safety Auditing teams and by implementing Integrated Environment and Occupational Health & Safety Management System.
4. Does the Company has any project related to Clean Development Mechanism? If so, provide details there of, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   Yes. The Company has changed Feedstock and Fuel from Naphtha to cleaner Natural Gas. Environmental Compliance reports to all the Environmental Clearances obtained from MoEF & CCare filed regularly.
5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N.
   Yes. The Company has installed wastewater treatment and recovery plants with latest technologies for treating the waste water generated from the process plants.

The Company has also upgraded the sewage treatment plant by adapting latest Membrane BioReactor (MBR) technology. The Company has achieved the zero liquid effluent discharge status by upgrading the effluent treatment system and reusing the entire treated waste water.

LED lighting assembly is installed in various places inside factory premises for conservation of energy Installed "Solar water heater" for our Industrial canteen and street lights at our factory and a tour township. The Company has installed roof top solar PV plant of capacity 251.23 KWP. The Company has developed green belt covering an area of about 64 acres. About 2000 additional saplings are planted every year. The Company has installed Eco-Digester Biogas Plant to convert Canteen Food Waste to generate Biogas in 2020 based on the Waste to Energy concept.

The Company has installed a wet waste decomposter in its township to recycle all the wet waste generated in the households and convert the same into organic manure.

6. Are the Emissions/Waste generated by the Company with in the permissible limits given by CPCB/SPCB for the financial year being reported?
   The Company has achieved the zero liquid effluent discharge status by upgrading the effluent treatment system and reusing the entire treated waste water. Emissions from stacks are well within the permissible limits given by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial year
   Nil

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

The Company works with Fertilizer Association of India (FAI) which is engaged in policy advocacy and also with Chambers of Commerce. The Company is always guided by the principles of commitment, honesty, transparency and balancing stakeholders' interest.

Principle 8: Businesses should support inclusive growth and equitable development (CSR)

1. Does the Company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
   Yes, the Company has specified programs in support of inclusive growth and equitable development. We priortize ensuring continuous and overall improvement in its economic, environmental and social performance.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
   In-House team.
3. Have you done any impact assessment of your initiative?
   Our direct involvement at the field level constantly assess, monitor and improve our performance. Our in-house team has directly interacted with the beneficiaries to assess impact of our CSR initiative.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   INR 152.75 Lakhs and the details are given in CSR Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   Yes, the community development initiative is part of CSR activity of the company. The programmes are designed with consultation of stakeholders keeping in mind their needs. Details are provided in Annexure 1 - Annual Report on CSR Activities.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)
   The Company makes adequate disclosures about product information as per requirements of the applicable laws.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   No case filed regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour in the last 5 years.
4. Did your Company carry out any consumer survey/consumer satisfaction trends?
   No. The Company has not carried out any consumer survey/consumer satisfaction trends during 2021-22.

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF MANGALORE CHEMICALS AND FERTILIZERS LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 22(h), which states that the Company had recognized urea subsidy income of INR 2,914 lakhs in previous year considering that benchmarking of its cost of production of urea using Naphtha with that of gas-based urea manufacturing units is arbitrary and for which the Company had already filed a writ petition against the Department of Fertilizers before the Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impact of government policies/notifications on recognition of concession income and its recoverability *(as described in Note 22 and 9 of the financial statements)*	
The Company recognises concession (subsidy) income receivable from the Department of Fertilizers, Government of India as per the New Pricing Scheme for Urea and as per Nutrient Based Subsidy Policy for Phosphatic and Potassic fertilizers at the time of sale of goods to its customers. During the current year, the Company has recognised concession income of INR 196,363.31 Lakhs and as at 31 March 2022 and has receivables of INR 57,679.74 Lakhs relating to such income. We focused on this area because recognition of concession income and assessment of its recoverability is subject to significant judgement of interpretation of various notifications from the Department of Fertilizers. The area of judgement includes certainty around the satisfaction of conditions specified in the notifications and policies, collections and provisions thereof, likelihood of variation in the related computation rates, basis for determination of accruals of concession income and timely recoverability thereof.	Our audit procedures included among others, the following: • Read the relevant notifications and policies issued by the Department of Fertilizers to ascertain the recognition of concession income, adjustments thereto recognised pursuant to changes in the rates and basis for determination of concession income. • Obtained an understanding of the process and tested the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the concession income. • Evaluated the management's assessment regarding compliance with the relevant conditions as specified in the notifications and policies and collections of concession income. • Tested the ageing analysis and assessed the information used by the management to determine the recoverability of the concession income by considering collections against historical trends. • Assessed the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Other Information

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

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34A to the financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      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, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
      c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
      v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership No.: 108044
UDIN: 22108044AJDHFG6934

Place of Signature: Gurugram
Date: May 17, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MANGALORE CHEMICALS AND FERTILIZERS LIMITED

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2020 ("the Order")

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification in 3 years which, in our opinion, 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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3A to the financial statements, as confirmed by a bank are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in note 19 to the financial statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of fertiliser, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including 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 applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax,

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MANGALORE CHEMICALS AND FERTILIZERS LIMITED

service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (including interest and penalty) (INR in Lakhs)	Payment under protest (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	358.04	52.89	FY 2013-14	Income Tax Appellate Tribunal (ITAT)
The Central Excise Act, 1944	Excise duty	638.96	-	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Entry tax	423.44	-	FY 2011-12	The High Court of Karnataka
The Customs Act, 1962	Customs duty	315.10	9.17	FY 2011-12 to 2016-17	Customs, Excise and Service Tax Appellate Tribunal
		87.60	-	FY 2016-17	Commissioners of Customs, Nhava Sheva
The Finance Act, 1994	Service tax	15.49	1.06	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on Clause (xvi)(a) of the Order is not applicable to the Company.

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MANGALORE CHEMICALS AND FERTILIZERS LIMITED

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on Clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of Sub-section (6) of Section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture and accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership No.: 108044
UDIN: 22108044AJDHFG6934

Place of Signature: Gurugram
Date: May 17, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MANGALORE CHEMICALS AND FERTILIZERS LIMITED

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

We have audited the internal financial controls over financial reporting of Mangalore Chemicals and Fertilizers Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership No.: 108044
UDIN: 22108044AJDHFG6934

Place of Signature: Gurugram
Date: May 17, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	55,294.34	57,779.90
Capital work-in-progress	3A	31,738.51	7,826.17
Right-of-use assets	3B	1,859.41	1,971.56
Intangible assets	4	107.91	148.95
Intangible assets under development	4	-	-
Financial assets			
(i) Investments	5	-	-
(ii) Others	6	616.86	571.69
Other non-current assets	7	1,286.27	8,204.79
		90,903.30	**76,503.06**
Current assets			
Inventories	8	42,977.47	18,138.26
Financial assets			
(i) Investments	5	0.10	0.10
(ii) Trade receivables	9	66,502.77	50,858.53
(iii) Cash and cash equivalents	10	48,207.20	35,241.02
(iv) Other bank balances	11	7,514.35	4,979.80
(v) Others	6	5,491.58	4,882.76
Other current assets	7	10,293.67	9,089.76
		180,987.14	**123,190.23**
Total assets		**271,890.44**	**199,693.29**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	11,854.87	11,854.87
Other equity	13	56,452.12	48,871.41
Total equity		**68,306.99**	**60,726.28**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	21,815.13	12,716.01
(ia) Lease liabilities	15	2,068.09	2,100.24
(ii) Others	16	15.14	100.76
Provisions	17	1,134.73	1,212.91
Deferred tax liabilities (net)	18	5,106.70	2,787.70
		30,139.79	**18,917.62**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	112,346.47	73,514.36
(ia) Lease liabilities	15	45.66	33.88
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	1,057.85	925.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	39,419.36	31,962.40
(iii) Others	16	17,072.72	11,386.67
Liabilities for current tax (net)		730.91	195.28
Other current liabilities	21	1,742.73	1,148.66
Provisions	17	1,027.96	882.34
Total liabilities		**173,443.66**	**120,049.39**
Total equity and liabilities		**271,890.44**	**199,693.29**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors of
Mangalore Chemicals and Fertilizers Limited

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M. Kantak
Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary

Date: May 17, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from contracts with customers	22	289,558.30	214,402.82
Other income	23	2,427.06	2,669.96
Total income		**291,985.36**	**217,072.78**
EXPENSES			
Cost of materials consumed	24	186,934.66	111,017.28
Purchases of traded goods	25	6,416.91	24,664.27
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	26	(13,122.69)	1,311.94
Employee benefits expense	27	6,962.64	6,797.58
Finance costs	28	4,940.42	7,682.92
Depreciation and amortisation expense	29	5,055.75	5,031.22
Other expenses	30	81,331.66	50,011.51
Total expenses		**278,519.35**	**206,516.72**
Profit before tax		**13,466.01**	**10,556.06**
Tax expense	31		
Current tax (Minimum Alternate Tax)		2,350.00	1,955.00
Deferred tax charge		2,329.88	1,891.21
Total tax expense		**4,679.88**	**3,846.21**
Profit for the year		**8,786.13**	**6,709.85**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plan		(31.15)	78.01
Income tax effect on above		10.88	(27.26)
Total other comprehensive (loss)/income		**(20.27)**	**50.75**
Total comprehensive income for the year		**8,765.86**	**6,760.60**
Earnings per equity share (in INR) [nominal value per share INR 10 (Previous year: INR 10)]	32		
Basic		7.41	5.66
Diluted		7.41	5.66
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors of
Mangalore Chemicals and Fertilizers Limited

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M. Kantak
Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary

Date: May 17, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Operating activities**			
	Profit before tax		13,466.01	10,556.06
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation expense	29	5,055.75	5,031.22
	Net loss on disposal of property, plant and equipment	30	548.79	226.08
	Provision for impairment of trade receivables	30	-	1,101.96
	Bad debts written off	30	-	1,881.10
	Fair value (gain)/loss on financial instruments at fair value through profit or loss		(663.65)	2,309.66
	Unrealised foreign exchange differences (net)		812.83	(856.63)
	Finance costs	28	4,940.42	7,682.92
	Interest income	23	(1,928.40)	(2,117.32)
	Provisions no longer required written back	23	(345.76)	(180.17)
	Operating profits before working capital changes		**21,885.99**	**25,634.88**
	Working capital changes:			
	(Increase)/Decrease in Inventories		(24,839.21)	6,473.13
	(Increase)/Decrease in Trade receivables		(15,644.24)	90,789.06
	(Increase)/Decrease in Other financial assets		455.76	(956.62)
	(Increase)/Decrease in Other assets		(1,095.95)	3,561.23
	(Decrease)/increase in Trade payables		7,641.02	(24,667.47)
	(Decrease)/increase in Other financial liabilities		3,713.43	(222.82)
	(Decrease)/increase in Other current liabilities and provisions		976.12	(2,671.44)
			(28,793.07)	**72,305.07**
	Cash (used)/generated from operations		**(6,907.08)**	**97,939.95**
	Income tax paid		(1,814.37)	(1,736.68)
	Net cash flow (used in)/from operating activities (A)		**(8,721.45)**	**96,203.27**
B	**Investing activities**			
	Purchase of property, plant and equipment including capital work-in-progress and capital advances		(16,966.35)	(9,875.91)
	Proceeds from sale of property, plant and equipment		12.41	16.66
	Investments in bank deposits (having original maturity of more than three months)		(20,755.35)	(4,721.31)
	Redemption/maturity of bank deposits (having original maturity of more than three months)		18,195.81	1,449.76
	Interest received		822.29	1,068.17
	Net cash flow (used in) investing activities (B)		**(18,691.19)**	**(12,062.63)**
C	**Financing activities**			
	Proceeds from long-term borrowings		15,920.20	512.34
	Repayment of long-term borrowings		(7,665.01)	(7,492.28)
	Payment of principal portion of lease liabilities		(36.26)	(30.77)
	Proceeds from/(repayment of) short-term borrowings (net)		38,811.17	(54,355.36)
	Finance cost paid		(5,466.13)	(8,240.38)
	Dividend paid to equity shareholders	13	(1,185.15)	(592.57)
	Net cash flow from/(used in) financing activities (C)		**40,378.82**	**(70,199.02)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase in cash and cash equivalents (A+B+C)		**12,966.18**	**13,941.62**
Cash and cash equivalents at the beginning of the year	10	35,241.02	21,299.40
Cash and cash equivalents at the end of the year		**48,207.20**	**35,241.02**
Components of cash and cash equivalents	10		
Cash on hand		2.80	1.49
Bank balances on current accounts		8,254.40	2,014.45
Bank balances on deposit accounts with original maturity of three months or less		39,950.00	33,225.08
Total cash and cash equivalents		**48,207.20**	**35,241.02**
The summary of changes in liabilities arising from financing activities is as below:			
Non-current borrowings (including current maturities)			
At beginning of the year	14	20,358.76	27,277.08
Cash flow changes		8,255.19	(6,979.94)
Non-cash changes (foreign currency exchange difference)		(6.07)	61.62
At end of the year	14	**28,607.88**	**20,358.76**
Current borrowings (excluding current maturities of long term borrowings)			
At beginning of the year	19	65,871.61	121,177.78
Cash flow changes		38,811.17	(54,355.36)
Non-cash changes (foreign currency exchange difference)		870.94	(950.81)
At end of the year	19	**105,553.72**	**65,871.61**
Lease Liabilities (including current maturities)			
At beginning of the year	15	2,134.12	2,167.19
Cash flow changes		(36.26)	(30.77)
Non-cash changes		15.89	(2.30)
At end of the year	15	**2,113.75**	**2,134.12**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors of
Mangalore Chemicals and Fertilizers Limited

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M. Kantak
Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary

Date: May 17, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a) Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid

	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	118,515,150	11,851.52	118,515,150	11,851.52
Changes during the year	-	-	-	-
At the end of the year	**118,515,150**	**11,851.52**	**118,515,150**	**11,851.52**

In addition to above, equity share capital as at March 31, 2022 includes Forfeited Shares (amount paid-up) of INR 3.35 Lakhs (March 31, 2021: INR 3.35 Lakhs).

b) Other equity

	Capital redemption reserve	General reserve	Retained earnings	Total
	Note 13	Note 13	Note 13	
Balance as at April 1, 2020	480.78	5,385.71	36,836.89	42,703.38
Profit for the year	-	-	6,709.85	6,709.85
Other comprehensive income	-	-	50.75	50.75
Total comprehensive income	-	-	6,760.60	6,760.60
Cash dividends (Refer Note 13)	-	-	(592.57)	(592.57)
Balance as at March 31, 2021	**480.78**	**5,385.71**	**43,004.92**	**48,871.41**
Balance as at April 1, 2021	480.78	5,385.71	43,004.92	48,871.41
Profit for the year	-	-	8,786.13	8,786.13
Other comprehensive income	-	-	(20.27)	(20.27)
Total comprehensive income	-	-	8,765.86	8,765.86
Cash dividends (Refer Note 13)	-	-	(1,185.15)	(1,185.15)
Balance as at March 31, 2022	**480.78**	**5,385.71**	**50,585.63**	**56,452.12**

Retained earnings - Retained earnings represent profits generated by the Company not distributed to shareholders.

Capital redemption reserve - The said reserve was created by way of transfer from general reserve on redemption of preference shares. This reserve account can be applied in paying up unissued shares to be issued to members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act, 1956, general reserve was created through transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the requirements of the Companies Act, 2013.

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors of
Mangalore Chemicals and Fertilizers Limited

Shubhabrata Saha
Managing Director
DIN: 03036747

Nitin M. Kantak
Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vijayamahantesh Khannur
Company Secretary

Date: May 17, 2022

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

Mangalore Chemicals and Fertilizers Limited ("MCF" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru 560 001, Karnataka, India. The Company is primarily engaged in the manufacture, purchase and sale of fertilisers. The Company has manufacturing facility in India. Information on related party relationships of the Company is provided in Note 38.

The Ind AS financial statements were approved by the Board of Directors of the Company on May 17, 2022.

2. Basis of preparation of Ind AS financial statements

The Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Ind AS financial statements.

The Ind AS financial statements have been prepared on a historical cost basis, except for assets and liabilities which are required to be measured at fair value. The Ind AS financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The significant accounting policies adopted for preparation and presentation of these Ind AS financial statement have been applied consistently, except for the changes in accounting policy for amendments to the standard that were issued effective for the financial year beginning from on or after April 1, 2021 as stated in Note 2.3.

2.1 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The Ind AS financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(d) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in its revenue arrangements.

Goods and Service Tax (GST) is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2.

Sale of products

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 15 to 120 days upon delivery.

Revenue from the sale of products, including concession receivable from the Government of India under the applicable New Pricing Scheme / Nutrient Based Subsidy Policy, is recognised when control of the products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Concessions in respect of Urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard.

Subsidy for Phosphatic and Potassic (P&K) fertilisers is recognized as per the rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time.

Freight subsidy on Urea, Complex fertilisers, etc. is recognized in accordance with the specified parameters and notified rates.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any)

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception.

(ii) Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of services

Service income is recognized, on an accrual basis, at agreed rate in accordance with the terms of the agreement.

Interest Income

Interest income from dealers and others on delayed payments is recognized to the extent the Company is reasonably certain of their ultimate collection.

Other interest income is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph (o) of Financial Instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Property, plant and equipment

On transition to Ind AS i.e. 1 April 2015, the Company has elected to continue with the carrying value of all of its property, plant and equipment (PPE) recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Property, plant and equipment, capital work-in-progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Depreciation is calculated on a straight-line basis over the useful lives of the assets, estimated by the management, as follows:

	Useful life (years)
Factory buildings	30
Other buildings (RCC)	60
Other buildings (Non-RCC)	30
Railway sidings	15
Roads, drainage and culverts	5 to 30
Plant and equipment (continuous process plant)	25
Computer equipment	3 and 6
Electrical installations and fittings	10
Office equipment	5
Furniture and fixtures	10
Cranes and locomotives	15
Vehicles	8 and 10

For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as estimated by the management basis independent assessment by an expert. The Company, based on assessment made by technical expert and management estimate, depreciates following assets, not included above, over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

(i) The useful lives of components of certain plant and machinery and equipment are estimated as 5 to 20 years.

(ii) Insurance/capital/critical stores and spares are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/critical spares, whichever is lower.

(iii) The useful lives of certain vehicles are estimated as 4 years.

Leasehold land is amortized on a straight-line basis over the period of lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures are recognised as intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- intention to complete and its ability and intention to use or sell the asset,
- its future economic benefits,
- the availability of resources to complete the asset and
- the ability to measure reliably the expenditure during development.

Following initial recognition, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use.

Computer Software

The computer software is amortised on a straight-line basis over the useful economic life of 5 years, as estimated by the management.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) of Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Borrowings.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Effective April 1, 2019, the Company has adopted Ind AS 116 on Leases which replaces Ind AS 17 on Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The Company has used the modified retrospective approach for transition to Ind AS 116 and consequently comparatives for previous year have not been restated. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

This has resulted in recognition of right-of-use assets and corresponding lease liabilities of INR 2,015.20 Lakhs as at April 1, 2019. Right-of-use assets are depreciated over the lower of useful life of the asset or the lease term and interest on lease liabilities is recognized under finance costs. The net impact of adopting this standard on the statement of profit and loss and earnings per share is not material. Refer disclosures included in Note 33 for details.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- Traded Goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on a moving weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company has established a Superannuation Fund Trust to which contributions are made each month. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Company has no other obligations beyond its monthly contributions.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For recognition of impairment loss on other financial assets and risk exposure, the Company categorizes them into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When financial assets are first recognized, the Company recognizes an allowance based on 12 months ECLs.

Stage 1 financial assets also include facilities where the credit risk has improved, and the financial assets has been reclassified from Stage 2.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the financial assets has been reclassified from Stage 3.

Stage 3: Financial assets considered credit impaired. The Company records an allowance for the lifetime ECLs.

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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets.

A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, currency and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss.

(q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(r) Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(u) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The Company bases its assumptions and estimates on parameters available when the Ind AS financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Ind AS financial statements are as below:

Revenue from contracts with customers

Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard. The Company recognises urea concession income from the Government of India ("GOI") based on estimates as per the GOI notification dated June 17, 2015 and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme.

Also, the Company determines and updates its assessment of expected rebates periodically and the accruals are adjusted accordingly. Estimates of expected rebates are sensitive to changes in circumstances and the Company's

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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past experience regarding these amounts may not be representative of actual amounts in the future.

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Impairment of financial and non-financial assets

Significant management judgement is required to determine the amounts of impairment loss on the financial and non-financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

Tax provisions and contingencies

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual period beginning on or after April 01, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102 - Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 COVID-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iv) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

2.4 Standards issued but not yet effective

There are no standards or amendments issued on or before March 31, 2022 but not yet effective, which may have any material impact on the Ind AS financial statements of the Company.

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NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3A. Property, plant and equipment

	Cost				Depreciation				Net book value
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,227.26	-	-	5,227.26	958.97	162.48	-	1,121.45	4,105.81
Railway sidings	586.78	157.31	11.02	733.07	276.96	61.88	10.27	328.57	404.50
Roads, drainage and culverts	428.47	-	-	428.47	227.48	22.02	-	249.50	178.97
Plant and equipment [a]	64,728.70	2,744.17	909.18	66,563.69	19,135.35	4,510.19	354.73	23,290.81	43,272.88
Electrical installations and fittings	259.34	-	0.28	259.06	152.15	17.57	0.22	169.50	89.56
Office equipment	351.18	40.64	1.59	390.23	233.73	30.36	1.01	263.08	127.15
Furniture and fixtures	359.31	6.77	-	366.08	224.70	18.89	-	243.59	122.49
Cranes and locomotives	207.07	-	-	207.07	106.01	20.77	-	126.78	80.29
Vehicles - Owned	255.08	0.36	35.73	219.71	125.73	29.45	30.37	124.81	94.90
Total	**79,220.98**	**2,949.25**	**957.80**	**81,212.43**	**21,441.08**	**4,873.61**	**396.60**	**25,918.09**	**55,294.34**

	Opening	Additions	Capitalised	Closing
Capital work-in-progress [a]	**7,826.17**	**26,861.59**	**2,949.25**	**31,738.51**

Previous year

	Cost				Depreciation				Net book value
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the year	On Disposals	As at March 31, 2021	As at March 31, 2021
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,187.37	40.04	0.15	5,227.26	782.38	176.59	-	958.97	4,268.29
Railway sidings	556.84	29.94	-	586.78	228.25	48.71	-	276.96	309.82
Roads, drainage and culverts	423.49	4.98	-	428.47	199.29	28.19	-	227.48	200.99
Plant and equipment [a]	61,873.33	4,311.39	1,456.02	64,728.70	15,926.39	4,449.86	1,240.90	19,135.35	45,593.35
Electrical installations and fittings	254.86	4.48	-	259.34	134.84	17.31	-	152.15	107.19
Office equipment	350.68	2.97	2.47	351.18	202.83	32.62	1.72	233.73	117.45
Furniture and fixtures	395.80	-	36.49	359.31	218.47	29.96	23.73	224.70	134.61
Cranes and locomotives	207.07	-	-	207.07	84.07	21.94	-	106.01	101.06
Vehicles - Owned	277.91	-	22.83	255.08	96.56	37.75	8.58	125.73	129.35
Total	**76,345.14**	**4,393.80**	**1,517.96**	**79,220.98**	**17,873.08**	**4,842.93**	**1,274.93**	**21,441.08**	**57,779.90**

	Opening	Additions	Capitalised	Closing
Capital work-in-progress [a]	**4,646.97**	**7,573.00**	**4,393.80**	**7,826.17**

(a) Plant and machinery and capital work-in-progress additions during the year includes borrowing INR Nil (March 31, 2021 : INR 13.00 Lakhs) and INR 1,388.84 Lakhs (March 31, 2021: INR 770.43 Lakhs), respectively, towards capitalisation of borrowing cost. The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.17% (March 31, 2021 : 9.16%), which is the average interest rate of borrowings.

(b) Refer Note 14 and 19 for details of property, plant and equipment pledged as security.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(c) **Capital work-in-progress (CWIP) Ageing Schedule**

As at March 31, 2022

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress *	24,242.76	3,592.61	1,023.06	2,759.88	31,618.31
Projects temporarily suspended**	-	3.54	73.16	43.50	120.20
Total	**24,242.76**	**3,596.15**	**1,096.22**	**2,803.38**	**31,738.51**

* The Company envisaged Ammonia Energy Improvement Project [AEIP] 3 years ago and substantial progress happened during the current year, in advanced stage of completion and expected to be commissioned in Financial year ending March 31, 2023.

** Project studies were conducted for certain projects which are valid and the projects are to be taken up at later stage.

As at March 31, 2021

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress *	3,876.12	1,025.40	895.23	1,909.22	7,705.97
Projects temporarily suspended**	3.54	73.16	33.67	9.83	120.20
Total	**3,879.66**	**1,098.56**	**928.90**	**1,919.05**	**7,826.17**

* The Company envisaged Ammonia Energy Improvement Project [AEIP] 3 years ago. The same was in progress and expected to be completed in Financial year ending March 31, 2023.

** Project studies were conducted for certain projects which are valid, to be taken up at later stage.

3B. Right-of-use assets

	Cost				Depreciation				Net book value
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	193.05	96.53	-	289.58	1,700.36
Right-of-use buildings (Refer Note 33)	231.69	15.89	14.48	233.10	57.02	31.51	14.48	74.05	159.05
Total	**2,221.63**	**15.89**	**14.48**	**2,223.04**	**250.07**	**128.04**	**14.48**	**363.63**	**1,859.41**

Previous year

	Cost				Depreciation				Net book value
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the year	On Disposals	As at March 31, 2021	As at March 31, 2021
Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	96.53	96.52	-	193.05	1,796.89
Right-of-use buildings (Refer Note 33)	240.57	1.89	10.77	231.69	30.57	33.32	6.87	57.02	174.67
Total	**2,230.51**	**1.89**	**10.77**	**2,221.63**	**127.10**	**129.84**	**6.87**	**250.07**	**1,971.56**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4. Intangible assets

	Cost				Amortisation				Net book value
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	On Disposals	As at March 31, 2022	As at March 31, 2022
Computer software	289.84	13.05	-	302.89	140.89	54.10	-	194.99	107.91
Total	**289.84**	**13.05**	**-**	**302.89**	**140.89**	**54.10**	**-**	**194.99**	**107.91**

	Opening	Additions	Capitalised	Closing
Intangible assets under development	**-**	**13.05**	**13.05**	**-**

Previous year

	Cost				Amortisation				Net book value
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the year	On Disposals	As at March 31, 2021	As at March 31, 2021
Computer software	264.00	29.46	3.62	289.84	86.06	58.45	3.62	140.89	148.95
Total	**264.00**	**29.46**	**3.62**	**289.84**	**86.06**	**58.45**	**3.62**	**140.89**	**148.95**

	Opening	Additions	Capitalised	Closing
Intangible assets under development	**-**	**29.46**	**29.46**	**-**

	Non-current		Current	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
5. Financial assets - Investments				
(Unquoted)				
Investments at fair value through profit or loss				
Bangalore Beverages Limited [200,000 (March 31, 2021: 200,000) Redeemable cumulative preference shares of Re. 1 each with coupon rate of 10% p.a. repayable after 20 years]	20,000.00	20,000.00	-	-
Less: Provision for impairment in value of investment (Refer Note 35)	(20,000.00)	(20,000.00)	-	-
Aditya Birla Sun Life Low Duration Fund - Growth Regular Plan [22.199 (March 31, 2021: 22.199) units of INR 535.94 (March 31, 2021: INR 515.78) each]	-	-	0.10	0.10
Total	**-**	**-**	**0.10**	**0.10**
Aggregate amount of unquoted investment (gross)	20,000.00	20,000.00	0.10	0.10
Aggregate amount of impairment in value of investment	20,000.00	20,000.00	-	-

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
6. Financial assets - Others				
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges*	-	14.83	43.23	24.76
Financial assets at amortised cost				
Security deposits	616.86	556.86	-	-
Receivable from Gas pool operator	-	-	-	1,472.70
Rebate/discount receivable from suppliers	-	-	1,377.77	420.83
Interest accrued on deposits and receivables				
Related parties (Refer Note 38)	-	-	4,010.72	2,863.76
Others	-	-	59.86	100.71
Total	**616.86**	**571.69**	**5,491.58**	**4,882.76**

*Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

7. Other assets				
Unsecured, considered good				
Capital advances	935.87	7,746.43	-	-
Advances other than capital advances				
Advance to a related party (Refer Note 38)	-	-	1,980.00	1,980.00
Advance to suppliers	-	-	185.19	119.64
Employees and other advances	-	-	19.64	0.38
Prepaid expenses	350.40	458.36	1,773.22	1,369.76
Goods and Services Tax (GST) refund receivable	-	-	2,442.30	1,706.47
Balance with statutory/government authorities	-	-	3,893.32	3,913.51
	1,286.27	**8,204.79**	**10,293.67**	**9,089.76**
Unsecured, Credit impaired				
Advances other than capital advances				
Advances to United Breweries (Holdings) Limited (Refer Note 35)	1,668.20	1,668.20	-	-
Balance with statutory/government authorities	-	-	1,192.26	1,192.26
Less: Provision for impairment of other asset	(1,668.20)	(1,668.20)	(1,192.26)	(1,192.26)
	-	-	-	-
Total	**1,286.27**	**8,204.79**	**10,293.67**	**9,089.76**

(a) There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies, respectively, in which any director is a partner or a director or a member.

	As at March 31, 2022	As at March 31, 2021
8. Inventories		
(valued at lower of cost and net realisable value)		
Raw materials and packing materials	20,395.17	8,846.36
[includes in transit - INR 7,847.92 Lakhs (March 31, 2021: INR 2,304.28 Lakhs)]		
Work-in-progress	35.27	51.74
Finished goods	18,439.38	3,919.16
Traded goods [includes in transit INR Nil (March 31, 2021: INR 35.58 Lakhs)]	150.49	1,531.55
Stores and spares [includes in transit INR 92.87 Lakhs (March 31, 2021: INR 40.14 Lakhs)]	3,957.16	3,789.45
Total	**42,977.47**	**18,138.26**

During the year, an amount of INR 119.37 Lakhs (Previous year: INR 33.83 Lakhs) was recognised as an expense for inventories carried at net realisable values.

Refer Note 19 for details of charge

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2022	As at March 31, 2021
9. Trade receivables		
Trade receivables	58,519.54	42,647.03
Receivables from related parties (Refer Note 38)	7,983.23	8,211.50
Total	**66,502.77**	**50,858.53**
Break-up for security details:		
Trade receivables		
Secured, considered good	4,311.66	2,132.99
Unsecured, considered good	62,191.11	48,725.54
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1,737.25	1,823.76
	68,240.02	**52,682.29**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	(1,737.25)	(1,823.76)
	66,502.77	**50,858.53**

(a) Trade receivables include concession/subsidy receivable from the Government of India of INR 57,679.74 Lakhs (March 31, 2021: INR 32,457.95 Lakhs).

(b) No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

(c) Trade receivables from dealers (other than related parties) are non-interest bearing during normal credit period and are generally on terms of 15 to 120 days. Management is of view that there are no receivables included above which have significant increase in credit risk other than already impaired as per management assessment.

(d) For terms and conditions relating to related party receivables, refer Note 38.

(e) Trade receivables Ageing Schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Current but not due*	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	49,712.38	5,711.03	17.87	3,979.71	4,167.78	-	63,588.77
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	64.20	503.91	1,169.14	1,737.25
Disputed Trade receivables – considered good	-	-	-	2,914.00	-	-	2,914.00
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**49,712.38**	**5,711.03**	**17.87**	**6,957.91**	**4,671.69**	**1,169.14**	**68,240.02**

* Includes unbilled subsidy receivables of INR 48,695.80 Lakhs.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

As at March 31, 2021

	Outstanding for following periods from due date of payment						
	Current but not due**	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	35,198.19	6,222.47	2,926.56	3,406.46	190.85	-	47,944.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	584.04	258.47	981.25	1,823.76
Disputed Trade receivables – considered good	-	2,914.00	-	-	-	-	2,914.00
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**35,198.19**	**9,136.47**	**2,926.56**	**3,990.50**	**449.32**	**981.25**	**52,682.29**

** Includes unbilled subsidy receivables of INR 23,546.88 Lakhs.

(f) Refer Note 19 for details of charge.

	As at March 31, 2022	As at March 31, 2021
10. Cash and cash equivalents		
Balances with banks		
- On current accounts	8,254.40	2,014.45
- On deposits accounts with original maturity of three months or less	39,950.00	33,225.08
Cash on hand	2.80	1.49
Total	**48,207.20**	**35,241.02**

Cash and cash equivalent balances don't include any amounts which are not available for use by the Company.

11. Other bank balances		
Bank balances on unpaid dividend accounts*	122.16	147.15
Bank deposits with original maturity of 12 months or less but more than 3 months	2,000.00	3,400.00
Margin money deposits	5,392.19	1,432.65
Total	**7,514.35**	**4,979.80**

* The Company can utilise these balances only towards settlement of respective unpaid dividend amounts.

Break-up of financial assets carried at amortised cost

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade receivables (Refer Note 9)	-	-	66,502.77	50,858.53
Cash and cash equivalents (Refer Note 10)	-	-	48,207.20	35,241.02
Other bank balances (Refer Note 11)	-	-	7,514.35	4,979.80
Others (Refer Note 6)	616.86	556.86	5,448.35	4,858.00
Total	**616.86**	**556.86**	**127,672.67**	**95,937.35**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2022	As at March 31, 2021
12. Equity share capital		
Authorised share capital		
12,40,00,000 (March 31, 2021: 12,40,00,000) equity shares of INR 10 each	12,400.00	12,400.00
6,00,000 (March 31, 2021: 6,00,000) 13% redeemable cumulative preference shares of INR 100 each	600.00	600.00
	13,000.00	**13,000.00**
Issued shares		
12,00,00,044 (March 31, 2021: 12,00,00,044) equity shares of INR 10 each	12,000.00	12,000.00
	12,000.00	**12,000.00**
Subscribed and fully paid-up shares		
11,85,15,150 (March 31, 2021: 11,85,15,150) equity shares of INR 10 each	11,851.52	11,851.52
Forfeited shares (amount originally paid-up)	3.35	3.35
	11,854.87	**11,854.87**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022		As at March 31, 2021	
	Nos.	INR in Lakhs	Nos.	INR in Lakhs
At the beginning of the year	118,515,150	11,851.52	118,515,150	11,851.52
Changes during the year	-	-	-	-
Outstanding at the end of the year	**118,515,150**	**11,851.52**	**118,515,150**	**11,851.52**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares issued and paid-up having a par value of INR 10 per share. Each holder of equity share is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
Equity shares of INR 10 each fully paid				
Zuari Agro Chemicals Limited (Holding Company)	64,028,362	54.03%	64,028,362	54.03%

(d) Details of Shares held by Promoters of the Company

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Shradha Agarwala	200,000	-	200,000	0.17%	0.00%
Jyotsna Poddar	157,152	-	157,152	0.13%	0.00%
Gaurav Agarwala	150,000	-	150,000	0.13%	0.00%
Akshay Poddar	959,359	259,144	1,218,503	1.03%	0.22%
Zuari Agro Chemicals Limited	64,028,362	-	64,028,362	54.03%	0.00%
Adventz Finance Private Limited	4,075,361	275,000	4,350,361	3.67%	0.23%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	1,257,186	-	1,257,186	1.06%	0.00%
Zuari Global Limited	306,194	-	306,194	0.26%	0.00%
Total	**71,133,614**	**534,144**	**71,667,758**	**60.47%**	

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

As at March 31, 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Shradha Agarwala	-	200,000	200,000	0.17%	0.17%
Jyotsna Poddar	100,000	57,152	157,152	0.13%	0.05%
Gaurav Agarwala	150,000	-	150,000	0.13%	0.00%
Akshay Poddar	1,062,644	(103,285)	959,359	0.81%	(0.09%)
Zuari Agro Chemicals Limited	64,028,362	-	64,028,362	54.03%	0.00%
Adventz Finance Private Limited	810,000	3,265,361	4,075,361	3.44%	2.76%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	1,257,186	-	1,257,186	1.06%	0.00%
Zuari Global Limited	-	306,194	306,194	0.26%	0.26%
Total	**67,408,192**	**3,725,422**	**71,133,614**	**60.02%**	

As per records of the Company, the above shareholding represents legal ownership of shares.
No shares have been issued for consideration other than cash for a period of five years immediately preceding the reporting date.

	As at March 31, 2022	As at March 31, 2021
13. Other equity		
Capital redemption reserve		
Balance as per last financial statements	480.78	480.78
Changes during the year	-	-
Closing balance	**480.78**	**480.78**
General reserve		
Balance as per last financial statements	5,385.71	5,385.71
Changes during the year	-	-
Closing balance	**5,385.71**	**5,385.71**
Retained earnings*		
Balance as per last financial statements	43,004.92	36,836.89
Add: Profit for the year	8,786.13	6,709.85
Add: Other comprehensive (loss) / income	(20.27)	50.75
Less: Appropriations		
Final equity dividend [amount per share INR 1.00 (Previous year: INR 0.50 per share)]	(1,185.15)	(592.57)
Closing balance	**50,585.63**	**43,004.92**
Total Other Equity	**56,452.12**	**48,871.41**

*Includes INR 5,851.55 Lakhs as at March 31, 2022 (March 31, 2021: INR 5,885.38 Lakhs) relating to revaluation of property, plant and equipment.

Distribution made and proposed

Dividends on equity shares declared and paid:		
Dividend for the year ended March 31, 2021: INR 1 per share (Previous year: INR 0.50 per share)	1,185.15	592.57
	1,185.15	**592.57**
Proposed dividends on equity shares:		
Dividend for the year ended March 31, 2022: INR 1.20 per share (Previous year: INR 1 per share)	1,422.18	1,185.15
	1,422.18	**1,185.15**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at year end.

14. Non-current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured (at amortised cost)		
Foreign currency term loan from a bank	-	1,092.45
Indian currency term loans from banks	28,271.75	18,555.32
Indian currency vehicle loans from bank	3.16	34.43
	28,274.91	**19,682.20**
Unsecured (at amortised cost)		
Foreign currency term loans from bank	332.97	676.56
	332.97	**676.56**
Total	**28,607.88**	**20,358.76**
Less: Amount disclosed under the head "Current Borrowings" (Refer Note 19)	**(6,792.75)**	**(7,642.75)**
Non-current borrowings	**21,815.13**	**12,716.01**

Secured borrowings

Foreign currency term loan

Term loan from a bank of INR Nil (including current maturities of INR Nil) [March 31, 2021: INR 1,092.45 Lakhs (including current maturities of INR 1,092.45 Lakhs)] carried interest of 2.60% p.a. [March 31, 2021 : 2.60% p.a.] The loan is repayable in 14 equal instalments starting from April 2015 with the last instalment due on October 2021. The loan is secured by hypothecation of assets purchased out of said loan and guarantee issued by Finnvera, the state owned export credit agency of Finland.

Indian currency term loans

Term loan from a bank of INR 3,988.61 Lakhs (including current maturities of INR 1,996.37 Lakhs) [March 31, 2021: INR 5,974.18 Lakhs (including current maturities of INR 1,993.38 Lakhs)] carries interest in the range of 8.00% p.a. to 11.50% p.a. [March 31, 2021 :11.10% p.a. to 11.50% p.a.] The loan is repayable in 20 equal quarterly instalments starting from June 2019 with the last instalment due on March 2024. The loan is secured by first pari-passu charge on all movable and immovable fixed assets (alongwith working capital lenders), other than fixed assets exclusively charged to other lenders.

Term loan from a bank of INR 2,486.83 Lakhs (including current maturities of INR 996.31 Lakhs) [March 31, 2021: INR 3,474.37 Lakhs (including current maturities of INR 994.09 Lakhs)] carries interest in the range of 9.30% p.a. to 9.35% p.a. [March 31, 2021: 9.35% p.a. to 10.20% p.a.] The loan is repayable in 20 quarterly instalments starting from June 2019 with the last instalment due on March 2024. The loan is secured by first pari-passu charge on all movable and immovable fixed assets, both present and future (other than fixed assets exclusively charged to other lenders) and second pari-passu charge on all current assets, both present and future.

Term loan from a bank of INR 5,921.78 Lakhs (including current maturities of INR 3,196.08 Lakhs) [March 31, 2021: INR 9,106.77 Lakhs (including current maturities of INR 3,192.58 Lakhs)] carries interest in the range of 6.26% p.a. to 6.96% p.a. [March 31, 2021 : 6.06% p.a. to 7.08% p.a.] The loan is repayable in 15 quarterly installments starting from December 2019 with the last instalment due on February 2024. The loan is secured by first pari-passu first charge over all movable and immovable fixed assets including plant and machinery of the Company (excluding assets exclusively charged to other banks) and first pari-passu with any other security provided to any other lenders including working capital lenders.

Term loan from a bank of INR 5,316.21 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 9.95% p.a. The loan is repayable in 28 quarterly instalments starting from September 2023 with the last instalment due on June 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari-passu charge over all movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

Term loan from a bank of INR 3,408.12 Lakhs (including current maturities of INR 267.86 Lakhs) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 10.00% p.a. The loan is repayable in 28 quarterly instalments starting from March 2023 with the last instalment due on December 2029. The loan is secured by first pari-passu first charge on all fixed assets to be created out of the proposed EIP project, with other participating lenders and first pari-passu charge over all movable and immovable fixed assets of the Company excluding the fixed assets charged specifically to the term lenders.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Term loan from a bank of INR 3,242.40 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 9.50% p.a. The loan is repayable in 28 quarterly instalments starting from January 2024 with the last instalment due on October 2030. The loan is secured by first pari-passu first charge on movable fixed assets to be created from proceeds of the facility for improvement in Energy Efficiency Project of the urea plant, with other participating lenders and first pari-passu charge over movable and immovable fixed assets of the Company excluding those exclusively charged to other term lenders.

Term loan from a bank of INR 3,907.80 Lakhs (including current maturities of INR Nil) [March 31, 2021: INR Nil (including current maturities of INR Nil)] carries interest in the range of 8.65% p.a. The loan is repayable in 18 quarterly instalments starting from August 2023 with the last instalment due on November 2027. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company, excluding those exclusively charged to other term lenders (including long term loans availed for the energy efficiency capital expenditure).

Indian currency vehicle loans

Vehicle loans from a bank of INR 3.16 Lakhs (including current maturities of INR 3.16 Lakhs) [March 31, 2021: INR 34.43 Lakhs (including current maturities of INR 31.27 Lakhs)] carry interest at 8.36% p.a. [March 31, 2021 : 8.36% p.a.] The loan is repayable in 30 to 48 monthly instalments starting from October 2017 with the last instalment due on June 2022 and is secured by first pari-passu charge on fixed assets financed by the said term loans.

Unsecured borrowings

Foreign currency term loans

Term loan from a bank of INR 332.97 Lakhs (including current maturities of INR 332.97 Lakhs) [March 31, 2021: INR 676.56 Lakhs (including current maturities of INR 338.98 Lakhs)] carries fixed interest of 1.4% p.a. [March 31, 2021 : 11.80% p.a.] The loan is repayable in 14 equal instalments starting from August 2016 with the last instalment due on February 2023. The loan is secured by guarantee issued by Eksport Kredit Fonden plc (EKF), the state owned export credit agency of Denmark.

15. Lease liabilities

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer Note 33)	2,068.09	2,100.24	45.66	33.88
	2,068.09	**2,100.24**	**45.66**	**33.88**

16. Financial Liabilities-Others

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges	15.14	100.76	498.94	1,073.34
Financial liabilities at amortised cost				
Liabilities for capital goods	-	-	4,538.43	1,440.70
Interest accrued but not due on borrowings and others	-	-	174.55	700.26
Security deposits	-	-	5,138.73	5,103.80
Payable to Gas pool operator			3,117.05	-
Employee benefits payable	-	-	808.50	784.53
Other expenses payable	-	-	2,674.36	2,136.89
Unpaid dividend*	-	-	122.16	147.15
Total	**15.14**	**100.76**	**17,072.72**	**11,386.67**

*There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at year end.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

17. Provisions

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
Gratuity (Refer Note 27)	1,134.73	1,212.91	134.05	-
Compensated absences	-	-	893.91	882.34
Total	**1,134.73**	**1,212.91**	**1,027.96**	**882.34**

18. Deferred tax liabilities (net)

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax liabilities				
Property, plant and equipment, Right-of-use assets and Intangible assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	9,260.06	10,327.01	(1,066.95)	(733.37)
Others	120.23	28.95	91.28	(46.77)
	9,380.29	**10,355.96**	**(975.67)**	**(780.14)**
Deferred tax assets				
Allowance for doubtful receivables	437.27	460.45	(23.18)	116.50
Provision for gratuity and compensated absences	544.35	527.37	16.98	(128.58)
Lease Liability	548.18	555.29	(7.11)	(11.56)
Others	345.27	342.91	2.36	(45.61)
Minimum Alternate Tax ("MAT") credit entitlement	2,398.52	5,682.24	(3,283.72)	(2,629.36)
	4,273.59	**7,568.26**	**(3,294.67)**	**(2,698.61)**
Net deferred tax liability	**5,106.70**	**2,787.70**		
Deferred tax charge			**2,319.00**	**1,918.47**

Based on the profitability projections, the management is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the aforesaid MAT credit entitlement. Accordingly, deferred tax asset have been recognised on the same. Also Refer Note 31.

Reconciliation of movement in deferred tax liabilities (net)

Balance at the beginning of the year	2,787.70	869.20
Tax charge/(credit) during the year		
Recognised in profit and loss	2,329.88	1,891.21
Recognised in OCI	(10.88)	27.26
	2,319.00	1,918.47
Balance at the end of the year	**5,106.70**	**2,787.70**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2022	As at March 31, 2021
19. Current borrowings		
Secured borrowings		
Foreign currency buyer's/suppliers' credit from banks	48,157.89	39,116.43
Indian currency bills discounted with banks	54,724.39	24,961.90
Indian currency cash credit from banks	-	694.96
Current maturities of long-term borrowings (Refer Note 14)	6,459.78	7,303.77
	109,342.06	**72,077.06**
Unsecured borrowings		
Current maturities of long-term borrowings (Refer Note 14)	332.97	338.98
Indian currency short-term loans from banks	2,671.44	1,098.32
	3,004.41	**1,437.30**
Total	**112,346.47**	**73,514.36**

Secured borrowings

The facilities are secured by first pari-passu charge on all current assets (both present and future) and property, plant and equipment of the Company, excluding assets which are exclusively charged to other lenders. These facilities are repayable within 12 months period. The interest carried on these facilities are - buyers/suppliers credits: 0.32% to 2.36% p.a. [March 31, 2021 : 0.87% to 3.45% p.a.], bills discounted: 4.40% to 6.10% p.a. [March 31, 2021 : 4.50% to 7.25% p.a.], cash credit: 8.75% to 10.25% p.a. [March 31, 2021 : 8.80% to 10.15% p.a.]

Unsecured borrowings

The short-term loans are repayable over a maturity period of 45 to 120 days and carry floating interest rate of 7.50% to 8.50%. [March 31, 2021 : 7.99% to 9.28% p.a.]

The quarterly returns or statements filed by the Company with banks and financial institutions are in agreement with the books of accounts.

	As at March 31, 2022	As at March 31, 2021
20. Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	1,057.85	925.80
- total outstanding dues of creditors other than micro enterprises and small enterprises	39,419.36	31,962.40
	40,477.21	**32,888.20**
Trade payables	40,420.20	32,780.27
Trade payables to related parties (Refer Note 38)	57.01	107.93
Total	**40,477.21**	**32,888.20**

*Includes outstanding dues of micro and small enterprises (Refer Note 36 for details)

For explanations on the Company's credit risk management processes, refer Note 41.

Trade payables (other than related parties) are normally non-interest bearing and are settled on 30 to 90 days term. For Terms and condition for related parties refer note 38.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Unbilled	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises**	-	1,057.18	-	-	-	0.67	1,057.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	145.80	38,207.73	1,021.67	3.66	0.83	39.67	39,419.36
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**145.80**	**39,264.91**	**1,021.67**	**3.66**	**0.83**	**40.34**	**40,477.21**

** Outstanding dues of micro enterprises and small enterprises for more than 3 years of INR 0.67 lakhs pertains to interest provided in earlier years.

As at March 31, 2021

	Outstanding for following periods from due date of payment						
	Unbilled	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises***	-	925.12	-	-	0.16	0.52	925.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	742.07	29,846.69	1,119.10	26.21	112.26	116.07	31,962.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**742.07**	**30,771.81**	**1,119.10**	**26.21**	**112.42**	**116.59**	**32,888.20**

*** Outstanding dues of micro enterprises and small enterprises 2-3 years of INR 0.16 lakhs and more than 3 years of INR 0.52 lakhs pertains to interest provided in earlier years.

21. Other current liabilities

	As at March 31, 2022	**As at March 31, 2021**
Statutory dues payable	370.25	417.61
Contract liabilities - Advances from customers**	1,372.48	731.05
Total	**1,742.73**	**1,148.66**

**Revenue recognised from amounts included in contract liabilities at the beginning of the year is INR 436.54 Lakhs (March 31, 2021: INR 3,159.30 Lakhs).

Break-up of financial liabilities carried at amortised cost

	Non-current		**Current**	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
Non-Current Borrowings (Refer Note 14)	21,815.13	12,716.01	-	-
Lease Liabilities (Refer Note 15)	2,068.09	2,100.24	45.66	33.88
Current Borrowings (Refer Note 19)	-	-	112,346.47	73,514.36
Trade Payables (Refer Note 20)	-	-	40,477.21	32,888.20
Others (Refer Note 16)	-	-	16,573.78	10,313.33
Total	**23,883.22**	**14,816.25**	**169,443.12**	**116,749.77**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
22. Revenue from contracts with customers		
Sale of products (including concession/subsidy on fertilisers)		
Manufactured	279,630.13	180,797.63
Traded	9,754.94	33,306.81
Sale of services	9.64	153.57
Other operating revenues (scrap sales)	163.59	144.81
Total	**289,558.30**	**214,402.82**
(a) Disaggregated revenue information		
Manufactured		
Urea	165,278.43	91,489.64
Complex fertilizers	105,009.67	79,116.01
Others	9,342.03	10,191.98
	279,630.13	**180,797.63**
Traded		
Complex fertilizers	-	7,620.29
Muriate of Potash (MOP)	6,558.46	5,487.41
Others	3,196.48	20,199.11
	9,754.94	**33,306.81**
(b) Timing of revenue recognition		
Products transferred for a point in time	289,548.66	214,249.25
Services rendered at a point in time	9.64	153.57
	289,558.30	**214,402.82**
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price (including concession / subsidy on fertilisers)	293,732.20	221,128.96
Adjustments		
Rebates	(3,825.36)	(6,395.04)
Others	(348.54)	(331.10)
Revenue from contracts with customers	**289,558.30**	**214,402.82**

(d) Performance obligation

The Company recognises revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The performance obligation is satisfied upon delivery of the goods and payment is generally due within 15 to 120 days from delivery.

The Direct Benefit Transfer (DBT) Scheme entails 100% payment of subsidy to the Company on the basis of actual sales by the retailer to the beneficiary, however, the performance obligation of the Company is satisfied upon delivery of the goods to its customer.

(e) Sales of products include government concession / subsidies amounting to INR 196,363.31 Lakhs (Previous year: INR 103,060.25 Lakhs). The urea concession has been estimated and accounted as per the Government of India notification dated June 17, 2015. The subsidy on phosphatic and complex fertilisers has been accounted based on the rates announced by the Government of India under Nutrient Based Subsidy Policy, from time to time.

(f) The Company recognises Urea concession income from the Government of India (GOI) based on estimates and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Accordingly, revenue for the year ended March 31, 2022 include additional urea concession income of INR Nil (Previous year : INR 1,856.06 Lakhs) relating to immediately preceeding financial year recognised on finalization of escalation/de-escalation claims. The urea concession income for the year ended March 31, 2022 have been recognized based on estimates and are pending finalisation by the GOI.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(g) Government of India has notified the pooling of Gas in Fertiliser (Urea) sector effective from June 2015. As per the notification, domestic Gas is pooled with Regasified Liquefied Natural Gas (RLNG) to provide natural Gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants.

(h) The Company had during the year ended March 31, 2021 recognised urea subsidy income of INR 2,914 Lakhs without benchmarking its cost of production using naphtha with that of gas-based urea manufacturing units recently converted to natural gas, as notified by the Department of Fertilizers [DoF] for subsidy income computation, against which the Company had filed a writ petition against the DoF before the Hon'ble High Court of Delhi [DHC]. Pending finalization of writ petition before the DHC, the management, based on legal opinion and considering the fact that the energy cost is always a pass through in subsidy computation, believes that artificial benchmarking is arbitrary and discriminatory and is confident of realisation of the aforesaid subsidy income.

(i) Consequent to reassessment of uncertainity over eventual realization arising due to the order of DoF against the Company (challenged by a writ petition which is pending before DHC), during the year ended March 31, 2021, the Company derecognized subsidy income of INR 2,686 Lakhs relating to higher energy norms which was recognized till December 31, 2020 of fiscal year ended 31 March 2021.

(j) For details of contract balances, refer Notes 9 and 21. Also refer Note 39 for segment information.

	For the year ended March 31, 2022	For the year ended March 31, 2021
23. Other income		
Interest income on bank deposits and others	1,928.40	2,117.32
Rental income	109.27	100.82
Insurance claim received	1.00	31.88
Provisions no longer required written back*	345.76	180.17
Foreign exchange differences (net)	-	132.95
Other non-operating income	42.63	106.82
Total	**2,427.06**	**2,669.96**

* Includes Provision for impairment of Trade Receivable written back of INR 86.51 Lakhs [Previous year - provision for impairment of GST credit written back of INR 180.17 Lakhs]

	For the year ended March 31, 2022	For the year ended March 31, 2021
24. Cost of raw materials consumed		
Inventories at the beginning of the year	8,846.36	11,345.33
Add: Purchases during the year	198,483.47	108,518.31
Less: Inventories at the end of the year	20,395.17	8,846.36
Cost of materials consumed	**186,934.66**	**111,017.28**
Materials consumed		
Naphtha	-	29,506.32
Phosphoric acid	68,098.23	39,786.40
Imported ammonia	27,538.62	14,976.97
Natural Gas	74,326.92	13,944.37
Others	16,970.89	12,803.22
Total	**186,934.66**	**111,017.28**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
25. Purchases of traded goods		
Complex fertilizers	-	5,832.46
Muriate of Potash (MOP)	5,534.62	4,111.07
Others	882.29	14,720.74
Total	**6,416.91**	**24,664.27**
26. (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods		
Inventories at the beginning of the year		
Finished goods	3,919.16	5,017.12
Traded goods	1,531.55	1,797.27
Work-in-progress	51.74	-
	5,502.45	6,814.39
Less: Inventories at the end of the year		
Finished goods	18,439.38	3,919.16
Traded goods	150.49	1,531.55
Work-in-progress	35.27	51.74
	18,625.14	5,502.45
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	**(13,122.69)**	**1,311.94**
27. Employee benefits expense		
Salaries, wages and bonus	5,999.91	5,781.34
Gratuity expense [refer note (ii) below]	180.14	207.84
Contribution to provident and other funds [refer note (iii) below]	423.99	436.30
Staff welfare expenses	358.60	372.10
Total	**6,962.64**	**6,797.58**

(i) The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.

(ii) The Company operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The following table summarises the components of net benefit expenses and the funded status for the plan:

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Cost charged to the statement of profit or loss under employee cost		
Current service cost	98.32	92.34
Interest cost	111.92	126.93
Return on plan assets	(30.10)	(11.43)
Net employee benefit expense	**180.14**	**207.84**
(b) Re-measurement (loss)/gain recognised in other comprehensive income		
Actuarial (loss)/gain		
Change in financial and demographic assumptions	44.43	(31.93)
Experience variance (actual vs assumption)	(63.53)	114.00
Actuarial (loss) on assets	(12.05)	(4.06)
Net actuarial (loss)/gain	**(31.15)**	**78.01**
(c) Changes in the present value of the defined benefit obligation		
Obligations at beginning of the year	1,659.21	1,854.29
Current service cost	98.32	92.34
Interest cost	111.92	126.93
Benefits paid	(493.43)	(332.28)
Actuarial (loss)	19.10	(82.07)
Obligations at end of the year	**1,395.12**	**1,659.21**
(d) Change in fair value of plan assets		
Plan assets at the beginning of the year	446.30	167.06
Return on plan assets	30.10	11.43
Contributions during the year	155.42	604.15
Benefits paid	(493.43)	(332.28)
Actuarial (loss)	(12.05)	(4.06)
Plan assets at end of the year	**126.34**	**446.30**
(e) Benefit asset/(liability)		
Fair value of plan assets	126.34	446.30
Less: Present value of defined benefit obligations	1,395.12	1,659.21
Benefit (liability)	**(1,268.78)**	**(1,212.91)**
(f) Major category of plan assets included in fair value of plan assets		
Fund balance with insurance companies	126.34	446.30
Total	**126.34**	**446.30**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(g) The principal assumptions used in determining gratuity obligations for the Company plan are as shown below:		
Discount rate	7.25%	6.75%
Salary increase rate	6.50%-8.00%	6.50%-8.00%
Employee turnover	1.00%-3.00%	1.00%-3.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

(h) A quantitative sensitivity analysis for significant assumption is as below:

	As at March 31, 2022		As at March 31, 2021	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation				
Discount rate	(56.41)	61.29	(57.51)	62.30
Salary increase rate	61.27	(56.89)	61.95	(57.71)
Employee turnover	4.42	(5.01)	0.89	(1.05)
Mortality rate	0.23	(0.22)	0.04	(0.04)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

(i) The following payments are expected contribution to the defined benefit plans in future years:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Within next 12 months	260.40	295.13
Between 2 to 5 years	542.54	846.14
Between 6 to 10 years	416.05	336.73
More than 10 years	1,993.15	1,762.56
Total	**3,212.14**	**3,240.56**

The average duration of the defined benefit plan obligation at the end of the reporting period/year is 9 years (March 31, 2021: 7 years).

(iii) Contribution to provident and other funds includes the following defined contributions:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident fund	267.62	263.18
Superannuation fund and national pension scheme	141.19	155.51
Others	15.18	17.61
Total	**423.99**	**436.30**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
28. Finance costs		
Interest expense	2,850.89	5,451.37
Interest on Income Tax	68.00	75.00
Interest on Leases (Refer Note 33)	216.50	218.48
Exchange difference regarded as adjustment to borrowing cost	836.15	1,098.19
Other borrowing costs	968.88	839.88
Total	**4,940.42**	**7,682.92**
29. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	4,873.61	4,842.93
Depreciation of right of use assets	128.04	129.84
Amortisation of intangible assets	54.10	58.45
Total	**5,055.75**	**5,031.22**

		For the year ended March 31, 2022		For the year ended March 31, 2021
30. Other expenses				
Consumption of stores and spares		882.53		1,054.59
Power, fuel and water		57,756.87		25,345.79
Bagging and other contracting charges		806.43		890.22
Transportation		11,437.20		12,242.36
Repairs and maintenance				
Buildings		160.42		99.88
Plant and equipment		2,468.60		2,895.09
Others		649.58		649.18
Rent		543.10		576.49
Rates and taxes		9.40		41.72
Insurance		723.81		715.31
Travelling and conveyance		176.91		112.50
Net loss on disposal of property, plant and equipment		548.79		226.08
Allowance for doubtful receivable		-		1,101.96
Bad debts written off	-		2,520.20	
Less: Provision for Impairment of trade receivable of previous years [recognised in earlier years]	-	-	(639.10)	1,881.10
Director's sitting fees and remuneration		23.90		22.25
Auditors remuneration (refer details below)		40.15		37.17
CSR expenditure (refer note 37)		152.75		131.91
Donations		-		6.11
Foreign exchange differences (net)		2,426.05		-
Miscellaneous expenses		2,525.17		1,981.80
Total		**81,331.66**		**50,011.51**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to Auditors		
As Auditor	22.00	20.00
Statutory audit fee	11.25	10.50
Limited review fee		
In other capacity		
Certification fees	6.75	6.50
Others (including reimbursement of expenses)	0.15	0.17
Total	**40.15**	**37.17**

	For the year ended March 31, 2022	For the year ended March 31, 2021
31. Tax expenses		
Income tax related to items charged or credited to statement of profit and loss during the year:		
Profit and loss section		
Current tax (Minimum Alternate Tax)	2,350.00	1,955.00
Deferred tax charge/(credit)		
MAT credit utilisation	3,283.72	2,629.36
Deferred tax charge for prior years	(160.21)	77.95
Deferred tax credit on others	(793.63)	(816.10)
Total	**4,679.88**	**3,846.21**
Deferred tax expense for the year includes deferred tax charge/(credit) relating to prior year recognized towards true-up adjustment on filing of income tax returns by the Company.		
Other comprehensive income		
Deferred tax (credit)/charge on re-measurement of defined benefit plan	(10.88)	27.26
Total	**(10.88)**	**27.26**
Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
Accounting profit before income tax	**13,466.01**	**10,556.06**
Tax as per statutory income tax rate of 34.94% (Previous period: 34.94%)	4,705.56	3,688.71
Non-deductible expenses for tax purposes		
CSR expenditure	53.38	46.09
Unrealised foreign exchange gain on capital items	(2.12)	23.47
Deferred tax charge for prior years	(160.21)	77.95
Other non-deductible expenses	35.62	9.26
Impact of change in tax rate for future periods	47.65	0.73
Income tax expense reported in statement of profit and loss account	**4,679.88**	**3,846.21**
Effective tax rate	**34.75%**	**36.44%**

32. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computation:		
Net profit attributable to equity shareholders	8,786.13	6,709.85
Weighted average number of equity shares considered for calculating basic/diluted EPS	118,515,150	118,515,150
Earnings per share (Basic/Diluted)	**7.41**	**5.66**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

33. Leases

The Company as a lessee

The Company has lease contracts for land, buildings and tanks. The leases for land generally have lease terms between 1 to 30 years, while others generally have lease terms between 1 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 3B for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

	For the year ended March 31, 2022	For the year ended March 31, 2021
At the beginning of the year	2,134.12	2,167.19
Additions	15.89	1.89
Leases terminated	-	(4.19)
Accretion of interest	216.50	218.47
Payments	(252.76)	(249.24)
At the end of the year	**2,113.75**	**2,134.12**
Current	45.66	33.88
Non-current	2,068.09	2,100.24

The maturity analysis of lease liabilities are disclosed in Note 40(c). The following are the amounts recognised in the statement of profit or loss:

Depreciation expense of right-of-use assets	128.04	129.84
Interest expense on lease liabilities	216.50	218.47
Expense relating to short-term leases (included in rent expense)	543.10	576.49
Total amount recognised in the statement of profit or loss	**887.64**	**924.80**

The Company had total cash outflows for leases of INR 795.86 Lakhs (Previous year: INR 825.73 Lakhs). The Company also had non-cash additions to right-of-use assets and lease liabilities of INR 15.89 Lakhs (Previous year: 1.89 Lakhs).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The effective interest rate for lease liabilities is 10%, with maturity between 2023-2042

There are no future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

	For the year ended March 31, 2022	For the year ended March 31, 2021
Expense relating to leases of low-value assets (refer note 33)	-	-
Expense relating to short-term leases (refer note 33)	75.26	71.29
Variable lease payments (refer note 33)	467.84	505.20
Total Lease Payments not considered as Lease payments under Ind AS 116	**543.10**	**576.49**

The Company as a lessor

The Company has entered into cancellable operating leases in respect of a portion of its land and building. These leases have terms of between 10 years and above. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total rents recognised as income during the year is INR 109.27 Lakhs (Previous year: INR 100.82 Lakhs).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
34. Capital and other commitments		
(a) Estimated amount of contract remaining to be executed (net of capital advances) on capital account and not provided for	14,015.72	11,682.16
(b) For commitments relating to lease arrangements, refer Note 33.		
34 A. Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
Income tax	358.04	358.04
Excise duty	638.96	5,339.12
Entry tax	334.81	340.52
Customs duty	402.70	402.70
Service tax	15.49	15.49
Others	95.00	95.00

The income tax matters under appeal include certain deductions claimed by the Company for financial years 2012-13 and 2013-14 which have resulted in tax losses, on which deferred tax assets have been recognized and utilized against taxable profits of following years, which have been disallowed by the income tax authorities and the differential tax liability (deferred tax / regular tax) that may arise is estimated to be INR 3,315 Lakhs and interest thereon. The Company is contesting aforesaid disallowances and the management, based on independent tax opinions, believes that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in this regard.

The Company is contesting aforesaid demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of the above contingent liabilities.

In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have any material effect on the Company's results of operations or financial condition.

(b) Other money for which the Company is contingently liable		
Bank guarantees	864.96	193.50

35. The Company in an earlier year had engaged an independent firm to carry out forensic review of certain transactions relating to investment in preference shares of Bangalore Beverages Limited and advances to United Breweries (Holdings) Limited, which indicated that these transactions may have involved irregularities. This investment of INR 20,000 Lakhs and advances of INR 1,668.20 Lakhs aggregating to INR 21,668.20 Lakhs were fully provided for during the year ended March 31, 2016.

36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	For the year ended March 31, 2022	For the year ended March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises*	1,057.18	925.13
- Interest due on above	0.67	0.67
Total	**1,057.85**	**925.80**

*Excluding liabilities for capital goods of INR 845.99 Lakhs (March 31, 2021 : INR 98.53 Lakhs).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.67	0.67

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

	For the year ended March 31, 2022	For the year ended March 31, 2021
37. Details of CSR expenditure		
a) Gross amount required to be spent by the Company during the year	152.75	131.67
b) Amount approved by the Board to be spent during the year	152.75	132.00

c) Amount spent during the year ending on 31 March 2022:

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	152.75	-	152.75

d) Amount spent during the year ending on 31 March 2021:

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	131.91	-	131.91

	For the year ended March 31, 2022	For the year ended March 31, 2021
e) Details related to spent / unspent obligations:		
i) Amount spent	152.75	131.91
ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
Total	**152.75**	**131.91**

Details of excess amount spent

In case of S. 135(5) Excess amount spent			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
0.24	152.75	152.75	0.24

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

38. Related party disclosures

Names of related parties:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company	: Zuari Agro Chemicals Limited ("ZACL")
Common control	: Paradeep Phosphates Limited ("PPL")
	Zuari Management Services Limited ("ZMSL")
	Zuari FarmHub Limited ("ZFL")
Promoters/Promoters Group	: Zuari Global Limited
	McDowell Holdings Limited
	United Breweries Holdings Limited
	Kingfisher Finvest India Limited
	Mrs. Jyotsna Poddar
	Mrs. Shradha Agarwala
	Mr. Gaurav Agarwala

Names of other related parties with whom transactions have taken place during the year:

Key Management Personnel	: Mr. Shubhabrata Saha, Managing Director (w.e.f. 16.09.2021)
	Mr. N. Suresh Krishnan, Managing Director (KMP till 31.12.2020)
	Mr. K. Prabhakar Rao, Whole-time director (till 31.12.2021)
	Mr. T.M. Muralidharan, Chief Financial Officer
	Mr. Vijayamahantesh Khannur, Company Secretary
Directors	: Mr. Akshay Poddar
	Mr. DA Prasanna
	Ms. Rita Menon
	Mr. Dipankar Chatterji
	Mr. Arun Duggal (till 28.09.2020)
	Mr. N. Suresh Krishnan (w.e.f. 01.01.2021 till 16.09.2021)
	Mr. Shashi Kant Sharma (till 15.09.2020)
	Mr. Sunil Sethy (till 31.07.2020)
	Mr. Nitin Manguesh Kantak (w.e.f. 01.01.2022)
Enterprises in which directors/shareholders are interested	: Lionel India Limited ("LIL")
	Adventz Finance Private Limited
Employee benefit trusts	: MCF Ltd. Employees Gratuity Fund Trust ("MCF Gratuity Trust")
	MCF Ltd. Employees Superannuation Trust ("MCF Superannuation Trust")

Summary of transactions entered into with related parties during the year:

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sale of goods (net)								
ZFL	-	-	4,173.50	3,673.58	-	-	-	-
PPL	-	-	-	342.68	-	-	-	-
	-	**-**	**4,173.50**	**4,016.26**	**-**	**-**	**-**	**-**
Purchase of goods (net)								
PPL	-	-	1,077.28	-	-	-	-	-
	-	**-**	**1,077.28**	**-**	**-**	**-**	**-**	**-**
Interest income								
ZACL	1,146.96	1,183.00	-	-	-	-	-	-
	1,146.96	**1,183.00**	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest expense								
ZFL	-	-	5.12	-	-	-	-	-
PPL	-	-	1.50	6.85	-	-	-	-
	-	**-**	**6.62**	**6.85**	**-**	**-**	**-**	**-**
Purchase of services								
ZMSL	-	-	112.61	122.04	-	-	-	-
	-	**-**	**112.61**	**122.04**	**-**	**-**	**-**	**-**
Travel expenses paid								
LIL	-	-	-	-	-	-	25.98	22.25
	-	**-**	**-**	**-**	**-**	**-**	**25.98**	**22.25**
Reimbursement of expenses by the Company								
ZACL	72.59	11.50	-	-	-	-	-	-
ZFL	-	-	136.02	-	-	-	-	-
PPL	-	-	-	0.13	-	-	-	-
Adventz Finance Private Limited			-	-	-	-	29.47	28.06
Mr. Arun Duggal	-	-	-	-	-	24.00	-	-
	72.59	**11.50**	**136.02**	**0.13**	**-**	**24.00**	**29.47**	**28.06**
Reimbursement of expenses to the Company								
ZACL	53.44	1.52	-	-	-	-	-	-
PPL	-	-	2.24	12.87	-	-	-	-
	53.44	**1.52**	**2.24**	**12.87**	**-**	**-**	**-**	**-**
Sitting fees paid								
Mr. Akshay Poddar	-	-	-	-	3.80	2.70	-	-
Mr. Arun Duggal	-	-	-	-	-	2.40	-	-
Mr. DA Prasanna	-	-	-	-	6.50	5.10	-	-
Mr. Dipankar Chatterji	-	-	-	-	5.50	4.50	-	-
Mr. Shashi Kant Sharma	-	-	-	-	-	1.20	-	-
Mr. Sunil Sethy	-	-	-	-	-	0.95	-	-
Mr. Suresh Krishnan	-	-	-	-	2.10	0.70	-	-
Ms. Rita Menon	-	-	-	-	5.50	4.70	-	-
Mr. Nitin M Kantak	-	-	-	-	0.50	-	-	-
	-	**-**	**-**	**-**	**23.90**	**22.25**	**-**	**-**
Dividend paid on equity shares								
ZACL	640.28	320.14	-	-	-	-	-	-
Adventz Finance Private Limited	-	-	-	-	-	-	43.00	12.38
Zuari Global Limited	-	-	-	-	-	-	3.06	-
McDowell Holdings Limited	-	-	-	-	-	-	12.57	6.29
Mrs. Jyotsna Poddar	-	-	-	-	-	-	1.57	0.50
Mrs. Shradha Agarwala	-	-	-	-	-	-	2.00	-
Mr. Gaurav Agarwala	-	-	-	-	-	-	1.50	0.75
Mr. Akshay Poddar	-	-	-	-	9.59	5.55	-	-
Mr. D A Prasanna	-	-	-	-	0.11	-	-	-
Mr. Vijayamahantesh Khannur	-	-	-	-	0.00	0.00	-	-
Mr. Arun Duggal	-	-	-	-	-	1.28	-	-
	640.28	**320.14**	**-**	**-**	**9.70**	**6.83**	**63.70**	**19.92**
Contributions made								
MCF Gratuity Trust	-	-	-	-	-	-	155.42	604.15
MCF Superannuation Trust	-	-	-	-	-	-	80.47	94.34
	-	**-**	**-**	**-**	**-**	**-**	**235.89**	**698.49**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	March 31, 2022	March 31, 2021
Compensation of key management personnel*		
Short-term employee benefits	465.39	360.08
Post-employment gratuity and medical benefits	-	-
Termination benefits	-	-
Share-based payment transactions	-	-
Total compensation paid to key management personnel	**465.39**	**360.08**

*The amounts disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Summary of balances as at year end:

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest receivable								
ZACL	4,010.72	2,863.76	-	-	-	-	-	-
	4,010.72	**2,863.76**	**-**	**-**	**-**	**-**	**-**	**-**
Advance to suppliers								
ZACL	1,980.00	1,980.00	-	-	-	-	-	-
	1,980.00	**1,980.00**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables								
ZACL	7,983.01	8,002.05	-	-	-	-	-	-
ZFL	-	-	-	209.45	-	-	-	-
PPL	-	-	0.22	-	-	-	-	-
	7,983.01	**8,002.05**	**0.22**	**209.45**	**-**	**-**	**-**	**-**
Trade payables								
ZFL	-	-	43.14	-	-	-	-	-
PPL	-	-	-	94.84	-	-	-	-
Adventz Finance Private Limited	-	-	-	-	-	-	-	7.85
LIL	-	-	-	-	-	-	13.87	5.24
	-	**-**	**43.14**	**94.84**	**-**	**-**	**13.87**	**13.09**

Terms and conditions of transactions with related parties

The transactions for sale and purchases with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding receivable / payable balances are generally unsecured and interest is charged as per terms agreed with the related parties. There have been no guarantees provided or received for any related party receivables or payables.

39. Segment information

The Company is engaged in the manufacture, sale and trading of fertilizers which the management has considered as single business operating segment. Further, the Company operates in India and caters to the needs of only domestic market. Accordingly, no further disclosures are required.

Revenue from single customer i.e. Government of India amounted to INR 196,363.31 Lakhs (Previous year: INR 103,060.25 Lakhs) arising from the concession/subsidy on fertilisers.

40. Financial instruments fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The fair value measurement hierarchy of the Company's assets and liabilities is as below:

	Carrying amount		Fair values					
			Level 1		Level 2		Level 3	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets measured at fair value								
Derivatives not designated as hedges	43.23	39.59	-	-	43.23	39.59	-	-
Financial assets for which fair values are disclosed								
Trade receivables	66,502.77	50,858.53	-	-	66,502.77	50,858.53	-	-
Cash and cash equivalents	48,207.20	35,241.02	-	-	48,207.20	35,241.02	-	-
Other bank balances	7,514.35	4,979.80	-	-	7,514.35	4,979.80	-	-
Security deposits	616.86	556.86			616.86	556.86		
Receivable from Gas pool operator	-	1,472.70	-	-	-	1,472.70	-	-
Rebate / discount receivable from suppliers	1,377.77	420.83	-	-	1,377.77	420.83	-	-
Interest accrued on deposits and others	4,070.58	2,964.47	-	-	4,070.58	2,964.47	-	-
Financial liabilities measured at fair value								
Derivatives not designated as hedges	514.08	1,174.10	-	-	514.08	1,174.10	-	-
Financial liabilities for which fair values are disclosed								
Borrowings	134,161.60	86,230.37	-	-	134,161.60	86,230.37	-	-
Lease Liabilities	2,113.75	2,134.12	-	-	2,113.75	2,134.12	-	-
Trade payables	40,477.21	32,888.20	-	-	40,477.21	32,888.20	-	-
Liability for capital goods	4,538.43	1,440.70	-	-	4,538.43	1,440.70	-	-
Interest accrued on borrowings	174.55	700.26			174.55	700.26		
Security deposits	5,138.73	5,103.80	-	-	5,138.73	5,103.80	-	-
Other payables	6,722.07	3,068.57	-	-	6,722.07	3,068.57	-	-

There has been no transfers between levels during the year. The fair values of derivatives are based on derived mark-to-market values. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

Borrowings include Indian currency and Foreign currency long-term loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

41. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

	March 31, 2022		March 31, 2021	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
INR Borrowings	(428.35)	428.35	(237.40)	237.40
USD Borrowings	(240.79)	240.79	(195.58)	195.58
EURO Borrowings	(1.66)	1.66	(8.85)	8.85

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables. The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives (not designated as hedges) outstanding as at the reporting date

Type	Currency	March 31, 2022		March 31, 2021	
		Foreign currency in Lakhs	INR in Lakhs	Foreign currency in Lakhs	INR in Lakhs
Cross currency swaps*	EURO	-	-	1.94	166.76
Interest rate swaps*	EURO	-	-	1.94	166.76
Forward contracts	USD	729.37	55,280.48	563.31	41,183.93

*Amount disclosed represents the underlying principal amount of loan.

Un-hedged foreign currency exposure as at the reporting date:

	As at March 31, 2022	As at March 31, 2021
Rebate / discount receivable from suppliers	1,377.77	420.83
Trade receivables	-	-
Borrowings	9,150.55	5,186.48
Trade payables	10,346.94	13,405.05

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and without considering impact of derivatives not designated as hedges:

	March 31, 2022		March 31, 2021	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax				
USD	(889.29)	889.29	(822.84)	822.84
GBP	-	-	(5.34)	5.34
EURO	(16.70)	16.70	(80.35)	80.35

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

iii. Commodity price risk

The Company's operating activities required purchase of Naphtha and Furnace Oil till November 2020. From December 2020, the Company's operating activities require the ongoing purchase of natural gas. Naphtha, Furnace Oil and Natural gas being international commodities are subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

Trade Receivables

The Trade receivables can be classified into two categories, from the customers and from the Government in the form of subsidy/ concession. The concession/subsidy receivable classified under trade receivables amounting to INR 57,679.74 Lakhs (March 31, 2021: INR 32,457.95 Lakhs) is receivable from the Government of India in the form of subsidy and being of sovereign nature credit risk is not perceived. The receivables from customers also include INR 7,983.23 Lakhs (March 31, 2021: INR 8,211.50 Lakhs) receivable from related party on which management does not expect any challenge in realisation. Further, as per terms agreed with related parties, interest is also charged on the overdue balances.

From market receivables from customers, the Company extends credit to customers in the normal course of business. The Company considers factors such as credit track record in the market and past dealings for extending credit to customers. The Company monitors the track record of the payments by the customers and the receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, since the customer base is large and located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company holds collateral as security for many of its customers. At March 31, 2022 8.62% (31 March 2021: 11.59%) of the Company's trade receivables from customers are covered by collateral security.

An impairment analysis is performed at the reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Though the required amount of ECL provision as at March 31, 2022 is lower than the provision as at March 31, 2021, the Company is carrying ECL of INR 500.03 Lakhs same as previous year on conservative basis.

Reconciliation of impairment of trade receivable and other assets

	As at March 31, 2022	As at March 31, 2021
Impairment of Trade receivable		
Balance at the beginning of the year	1,823.76	1,360.90
Add: Provision made during the year	-	1,101.96
Less: Reversal of earlier years provisions	(86.51)	-
Less: Bad debts written off from earlier years provisions	-	(639.10)
Balance at the end of the year*	**1,737.25**	**1,823.76**
Impairment of Other assets		
Balance at the beginning of the year	1,192.26	1,372.43
Add: Provision made during the year	-	-
Less: Provision reversed during the year	-	(180.17)
Balance at the end of the year	**1,192.26**	**1,192.26**

* Balance at the end of the year includes ECL provision amounting to INR 500.03 Lakhs

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

(c) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:

	Maturities				Total
	Upto 1 year	1-3 years	3-5 years	Above 5 years	
March 31, 2022					
Non-current borrowings	6,792.75	14,174.73	5,448.54	2,191.86	28,607.88
Lease liabilities	259.12	531.48	535.53	3,660.31	4,986.44
Current borrowings	105,553.72	-	-	-	105,553.72
Trade payables	40,477.21	-	-	-	40,477.21
Other financial liabilities	17,072.72	15.14	-	-	17,087.86
Total	**170,155.52**	**14,721.35**	**5,984.07**	**5,852.17**	**196,713.11**
March 31, 2021					
Non-current borrowings	7,642.75	12,716.01	-	-	20,358.76
Lease liabilities	249.76	511.24	529.20	3,931.00	5,221.20
Current borrowings	65,871.61	-	-	-	65,871.61
Trade payables	32,888.20	-	-	-	32,888.20
Other financial liabilities	11,386.67	100.76	-	-	11,487.43
Total	**118,038.99**	**13,328.01**	**529.20**	**3,931.00**	**135,827.20**

42. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% change	Reason for variance above 25% as per Schedule III requirement
Current ratio	Current Assets	Current Liabilities	1.04	1.03	1.7%	-
Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.96	1.42	(38.3%)	Increase in debt for capital expenditure/ projects.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.67	1.40	19.2%	-
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	12.86%	11.05%	16.4%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.90	6.41	(8.0%)	-

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% change	Reason for variance above 25% as per Schedule III requirement
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.93	2.19	125.0%	Improved collections
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.59	2.95	(89.6%)	Improved Liquidity
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	38.39	68.26	43.8%	Improved Working Capital cycle
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	3.03%	3.13%	3.0%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	9.98%	12.93%	(22.8%)	-
Return on Investment	Interest (Finance Income)	Investment	0.00%	0.00%		There are no investments

43. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) **The details of transactions with struck off Companies are given below**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
Vaishak Shares Limited	Shares held by struck off company	60.00
Pushkar Financial Services Limited		10.00
Eastcoast Investments Limited		1,000.00
Ingita Financial Services Limited		1,000.00
Kothari & Sons (Nominees) Private Limited		1,000.00
New Ambadi Investments Private Limited		5,000.00
Naimnath Investments Private Limited		5,000.00
Usha Holdings Private Limited		500.00

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

44. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

	Notes	As at March 31, 2022	As at March 31, 2021
Non-current borrowings	14	21,815.13	12,716.01
Lease Liabilities	15	2,113.75	2,134.12
Current borrowings	19	112,346.47	73,514.36
Less: Cash and cash equivalents	10	(48,207.20)	(35,241.02)
Less: Other bank balances (excluding unpaid dividend accounts)	11	(7,392.19)	(4,832.65)
Net debt (A)		**80,675.96**	**48,290.82**
Equity share capital	12	11,854.87	11,854.87
Other equity	13	56,452.12	48,871.41
Total equity (B)		**68,306.99**	**60,726.28**
Gearing ratio (A / B)		**118%**	**80%**

In order to achieve this overall objective, the Company's capital management, amongst other things, also ensures that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

45. Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pravin Tulsyan**
Partner
Membership Number: 108044

Place of Signature: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors of
Mangalore Chemicals and Fertilizers Limited

Shubhabrata Saha
Managing Director
DIN: 03036747

T M Muralidharan
Chief Financial Officer

Date: May 17, 2022

Nitin M Kantak
Director
DIN: 08029847

Vijayamahantesh Khannur
Company Secretary

Mangalore Chemicals
& Fertilizers Limited

Registered Office: Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001
Tel. No. 080-4585 5599, Fax No. 080-4585 5588
email : shares.mcfl@adventz.com Website : www.mangalorechemicals.com
CIN : L24123KA1966PLC002036

Dear Shareholder,

Sub: Dividend

You will be aware that the Board of Directors of the Company, at its meeting held on May 17, 2022, has recommended a dividend of INR 1.20 per equity share of INR 10 subject to the approval of the members at the Annual General Meeting scheduled to be held on September 13, 2022.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the National Electronic Clearing Services (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution(CBS) for centralized processing on inward instructions and efficiency in handling bulk transaction. This facility is available at locations identified by Reserve Bank of India from time to time. This is in addition to the existing facility of ECS in other locations.

Members holding shares in electronic mode are requested to intimate all changes pertaining to their bank details to their Depository Participant in order to arrange the dividend payment by NECS or through warrant by printing the bank details, as the case may be.

Members who hold shares in physical form and desirous of availing this facility are requested to use the format below, to furnish the bank details of the first named shareholder and send the same to the Company/ Share Transfer Agent, not later than September 10, 2022 to update the bank details and arrange the dividend payment by NECS or through dividend warrant by printing the bank details, as the case may be.

– TEAR OFF –

Mangalore Chemicals
& Fertilizers Limited

Registered Office: Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001
Tel. No. 080-4585 5599, Fax No. 080-4585 5588
email : shares.mcfl@adventz.com Website : www.mangalorechemicals.com
CIN : L24123KA1966PLC002036

NECS/ECS Mandate/Bank details updation Form

For the use of members holding shares in physical form only

I/We hereby provide the Bank account details of the first named shareholder for arranging payment of dividend through NECS/ECS, if available for the location OR to print the bank details on the dividend warrant as the case may be.

1.	Folio number	
2.	Name of the first named shareholder	
3.	Bank name	
4.	Bank account number (Core Banking No.)	
5.	Account type (SB/OD/CURR/NRO)	
6.	Nine Digit MICR code appearing on the cheque issued by the bank	Please attach a photocopy of the cheque leaf pertaining to the above account for verification/acceptance.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We will not hold the Company responsible.

1. _____ 2. _____ 3. _____

Signature of shareholder(s)

An ISO 14001 Certified Company

If undelivered, please return to:

Mangalore Chemicals & Fertilizers Ltd.,
Level 11, UB Tower, UB City,
24, Vittal Mallya Road,
Bengaluru - 560 001
www.mangalorechemicals.com