30th April, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051

To,
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Dear Sir/Madam,

Company's Scrip Code in BSE	: 543530
Company's Symbol in NSE	: PARADEEP
ISIN	: INE088F01024

Sub: Notice of meeting to the Unsecured Creditors of Paradeep Phosphates Limited ('Company' or 'Transferee Company') pursuant to the directions of the Hon'ble National Company Law Tribunal, Cuttack Bench, vide its order dated 25th April 2025 ('NCLT Convened Meeting').

Ref.: Company Application No. C.A. (CAA) NO. 4/CB/2025 with respect to the proposed Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited (Non-Applicant Company/ Transferor Company) and Paradeep Phosphates Limited (Applicant Company / Transferee Company) and their respective shareholders and creditors ('Scheme').

Notice is hereby given in terms of section 230(3) of the Companies Act, 2013, that pursuant to the directions of the Hon'ble National Company Law Tribunal, Cuttack Bench, vide its order dated 25th April 2025, a meeting of the Unsecured Creditors of the Company shall be held through Video Conferencing ('VC') / other audio visual means ('OAVM') as under:

NCLT Convened Meeting of the Unsecured Creditors of the Company	
Day	Monday
Date	June 02, 2025
Time	2:00 pm (IST)
Mode of meeting	Through video conferencing/ other audio-visual means ("**VC/OAVM**")
Cut-off date for e-voting	Friday, 31st January 2025
Remote e-voting start date and time	Wednesday, 28th May 2025 9:00 AM (IST)
Remote e-voting end date and time	Sunday, 1st June 2025 5:00 PM (IST)

The instructions for attending the meeting through VC / OAVM, remote e-voting and e-voting have been set out in the Notice of the NCLT Convened Meeting.

An unsecured creditor, whose name is appearing in the Chartered Accountant's certificate certifying the list of unsecured creditors of the Company as on cut-off date i.e., Friday, 31st January 2025 shall only be entitled to exercise his/her/its voting rights on the resolution proposed in the notice and attend the meeting of the unsecured creditors. Voting rights of an unsecured creditor shall be in proportion of the outstanding amount due by the Company as per its books as on the cut-off date, i.e., Friday, 31st January 2025.

We enclose herewith, a copy of the Notice of the NCLT Convened Meeting of the unsecured creditors of the Company along with the Explanatory Statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable SEBI Circulars.

Notice of NCLT Convened Meeting along with accompanying documents are also available on the Company's website: https://www.paradeepphosphates.com/investors/scheme-of-arrangement

We request you to take the same on record.

Thanking you,

Yours faithfully,
For and on behalf of **Paradeep Phosphates Limited**

Sachin Shankar Patil

Digitally signed by Sachin Shankar Patil
Date: 2025.04.30 20:19:09 +05'30'

Sachin Patil
Company Secretary
ACS31286

Encl: As above

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF PARADEEP PHOSPHATES LIMITED
(PURSUANT TO THE ORDER PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CUTTACK BENCH DATED 25th APRIL 2025)

Meeting	
Day	Monday
Date	02nd June 2025
Time	2:00 PM (IST)
Mode of meeting	Through video conferencing/ other audio-visual means ("**VC/OAVM**")
Cut-off date for e-voting	Friday, 31st January 2025
Remote e-voting start date and time	Wednesday, 28th May 2025 9:00 AM (IST)
Remote e-voting end date and time	Sunday, 1st June 2025 5:00 PM (IST)

I N D E X

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3.	Order of the Hon'ble National Company Law Tribunal, Cuttack Bench, dated 25th April 2025.	**Annexure 1**	**A-1**
4.	Certified true copy of the Scheme	**Annexure 2**	**A-16**
5.	Audited standalone financial statements of the Transferee Company for the period ended 31st March 2024.	**Annexure 3**	**A-43**
6.	Unaudited standalone financial results of the Transferee Company for the quarter and six months ended 30th September 2024.	**Annexure 4**	**A-104**
7.	Audited financial statements of the Transferor Company for the period ended 31st March 2024.	**Annexure 5**	**A-116**
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9.	Reports adopted by the Board of Directors of the Transferee Company and the Transferor Company	**Annexure 7**	**A-185**

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	pursuant to Section 232(2)(c) of the Act.		
10.	Valuation Report dated 7th February 2024 and 25th November 2024 jointly issued by M/s SSPA & Co., Chartered Accountants and Mr. Pawan Shivkumar Poddar, the independent registered valuers for the proposed Scheme.	**Annexure 8**	**A-201**
11.	Fairness Opinion dated 7th February 2024 and 25th November 2024, issued by M/s Inga Ventures Private Limited, a Category I SEBI registered merchant banker on the share exchange ratio for the proposed Scheme.	**Annexure 9**	**A-243**
12.	Report of the Audit Committee of the Transferee Company on the Scheme.	**Annexure 10**	**A-257**
13.	Report of the Independent Directors of the Transferee Company on the Scheme.	**Annexure 11**	**A-271**
14.	Certificate from the statutory auditors of the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. Certificate from the statutory auditors of the Transferor Company certifying that no accounting treatment is required in the books of the Transferor Company.	**Annexure 12.1 & 12.2 respectively**	**A-284**
15.	Observation Letter dated 27th February 2025 of BSE Limited (BSE) issued to the Transferee Company.	**Annexure 13**	**A-290**
16.	Observation Letter dated 28th February 2025 of National Stock Exchange of India Limited (NSE) issued to the Transferee Company.	**Annexure 14**	**A-293**
17.	Declaration from the Transferee company confirming that there are no ongoing adjudication, recovery proceedings, prosecution initiated and other enforcement action taken against the Transferee Company, its promoters and directors	**Annexure 15**	**A-296**
18.	Complaint Report submitted by the Transferee Company to BSE and NSE respectively.	**Annexure 16.1 & 16.2 respectively**	**A-297**
19.	Additional documents (as per observation letters issued by the stock exchanges):		
	a) Details of (pre & post Scheme) assets and liabilities of Transferee Company and Transferor Company;	**Annexure 17**	**A-302**
	b) Valuation methods, rationale and assumptions	**Annexure 8**	**A-201**

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	considered for arriving at the share exchange ratio;		
	c) Rationale & synergies of the Scheme and its impact on the public shareholders;	**Annexure 10**	**A-257**
	d) Impact, if any, of the liabilities of Transferor Company on the business of Transferee Company post scheme of arrangement; and	**Not Applicable**	
	e) Details of complaints received, if any, along with the response of the Transferee Company for resolution of complaints.	**Annexure 16.1 & 16.2**	**A-297**
20.	Certified true copy of the resolution passed by the Board of Directors of the Transferee Company and the Transferor Company for Scheme approval.	**Annexure 18**	**A-305**

*[The Notice of the Meeting, Explanatory Statement and **Annexure 1** to **Annexure 18** (Page No. **A-1 to A-315**) constitute a single and complete set of documents and should be read in conjunction with each other, as they form an integral part of this document.]*

FORM NO. CAA.2

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rules 6 and 7 of Companies (Compromise Arrangement and Amalgamation) Rules, 2016]

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF PARADEEP PHOSPHATES LIMITED

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT AMONGST

MANGALORE CHEMICALS & FERTILIZERS LIMITED

("TRANSFEROR COMPANY")

AND

PARADEEP PHOSPHATES LIMITED

("COMPANY" OR "TRANSFEREE COMPANY" OR "APPLICANT COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

PARADEEP PHOSPHATES LIMITED (CIN: L24129OR1981PLC001020)
(PAN: AABCP3276D)
A company incorporated under the Companies Act, 1956,
having its registered office at 5th Floor, Odisha State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar, Odisha, India - 751 001

Represented by Mr. Sachin Shankar Patil, Authorised Signatory (Company Secretary)

... APPLICANT COMPANY / TRANSFEREE COMPANY

MANGALORE CHEMICALS & FERTILIZERS LIMITED
(CIN: L24123KA1966PLC002036)
(PAN: AABCM3599G)
A company incorporated under the Companies Act, 1956, having its registered office at Level-11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru, Karnataka, India - 560 001

Represented by Mr. Vighneshwar G Bhat, Authorised Signatory (Company Secretary)

… NON-APPLICANT COMPANY / TRANSFEROR COMPANY

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS

To the Unsecured Creditors of Paradeep Phosphates Limited

1. **NOTICE** is hereby given that by an order dated 25th April 2025 (the **"Order"**), the Hon'ble National Company Law Tribunal Bench at Cuttack (**"Hon'ble NCLT"**), has directed *inter alia*, that a meeting be convened and held of the unsecured creditors of Paradeep Phosphates Limited (herein after mentioned as "**the Company**" or "**Transferee Company**" or "**Applicant Company**"), for the purpose of considering, and if thought fit, approving with or without modification, the composite scheme of arrangement proposed to be made amongst Paradeep Phosphates Limited (Applicant Company/Transferee Company) and Mangalore Chemicals & Fertilizers Limited (Non-Applicant Company /Transferor Company) and their respective shareholders & creditors (hereinafter mentioned as the "**Scheme**").

2. In pursuance of the said Order and as directed therein and in compliance with the applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), further notice is hereby given that a meeting of unsecured creditors of the Company will be held on Monday, 02nd June 2025 02:00 PM (IST) through video conferencing ("**VC**")/ other audio visual means ("**OAVM**") to consider, and if thought fit, to pass the following resolution for approval of the Scheme by requisite majority, as prescribed under Section 230(6) of the Act:

   "**RESOLVED THAT** in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the National Company Law Tribunal Rules 2016 and any other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the rules including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, circulars and notifications made thereunder and the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by SEBI (as amended from time to time), read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 issued by the SEBI and other circulars/guidelines issued by SEBI as may be applicable to the scheme of arrangement from time to time, the observation letters dated 27th February 2025 and 28th February 2025 issued by BSE Limited and National Stock Exchange of India Limited respectively and as approved by Competition Commission of India (CCI) vide letter dated 30th July 2024 and all other provisions of the applicable laws, or any amendments thereto or modifications thereof, the Memorandum and Articles of Association of the Company, and subject to the approval of the Hon'ble NCLT and such other approvals as may be necessary or as may be directed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Composite Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited and their respective shareholders & creditors (**"Scheme")** placed before this meeting, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and / or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalize the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or SEBI and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/ required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of the Company, the SEBI, the NCLT, and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc. (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme."

3. **TAKE FURTHER NOTICE** that the unsecured creditors shall have the facility and option of voting on the resolution for approval of the Scheme either by casting their votes through remote e-voting or by e-voting at the Meeting during the respective voting period stated below:

Manner of voting	Commencement of voting	End of voting
Remote e-voting	Wednesday, 28th May 2025 9:00 AM (IST)	Sunday, 01st June 2025 5:00 PM (IST)
E-voting at the Meeting	Monday, 02nd June 2025 2:00 PM (IST)	As per the instructions of the Chairperson appointed for the meeting

The remote e-voting and e-voting at the Meeting shall not be allowed beyond the respective voting period, as stated above. Unsecured creditors may exercise their votes in only one mode i.e., either by remote e-voting or by e-voting at the Meeting. Unsecured creditors attending the meeting who have not cast vote(s) by remote e-voting will be able to vote electronically by following the "Instructions for e-voting" whereas unsecured creditors who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.

The remote e-voting period has been determined as per the provisions of Section 108 of the Companies Act, 2013 and other applicable provisions of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended; and Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

4. An unsecured creditor, whose name is appearing in the Chartered Accountant's certificate certifying the list of unsecured creditors of the Company as on cut-off date i.e., Friday, 31st January 2025 shall only be entitled to exercise his/her/its voting rights on the resolution proposed in the notice and attend the meeting of the unsecured creditors. Voting rights of an unsecured creditor shall be in proportion of the outstanding amount due by the Company as on the cut-off date i.e., Friday, 31st January 2025. The value and number of unsecured creditors shall be in accordance with the books / records maintained by the Company. A person who is not an unsecured creditor as on the cut-off date, should treat the Notice for information purpose only.

5. The Hon'ble NCLT has appointed Mr. Satya Smruti Mohanty, Advocate as the chairperson and Mr. Bishwajyoti Pattnaik, Practicing Chartered Accountant, as the scrutinizer of the said Meeting. The above-mentioned scheme of arrangement, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble NCLT and such approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

6. The Company has engaged the services of Central Depository Services (India) Limited ('CDSL') as the agency for providing the platform for both remote e-voting prior to the Meeting and e-voting during the Meeting.

7. The voting results shall be declared by the Chairperson of the Meeting within two (2) working days from the conclusion of the Meeting and the same shall be displayed on the Notice Board of the Company at its registered office and posted on the websites of the

Company at https://www.paradeepphosphates.com/investors/scheme-of-arrangement and Central Depository Services (India) Limited ('CDSL') at http://www.evotingindia.com/. The results shall also be forwarded to the BSE Limited ('**BSE**') and National Stock Exchange of India Limited ('**NSE**'), where the Company's shares are listed.

8. The Scrutinizer shall, after the conclusion of the Meeting, submit a consolidated Scrutinizer's report of the total votes cast in favor and against the resolution and invalid votes, if any and submit the same to the Chairperson of the Meeting or a person authorized by Chairperson in writing who shall countersign the same.

9. The resolution for approval of the Scheme shall be deemed to have been duly passed on the date of the Meeting i.e., Monday, 02nd June 2025, if majority in number representing three-fourths in value of the unsecured creditors of the Company cast their votes in favour of the resolution as aforesaid, pursuant to Section 230(6) of the Act.

10. A copy of the Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other Annexures as indicated in the Index are enclosed herewith. A copy of this Notice and the Explanatory Statement together with the accompanying documents are also placed on the websites of the Company at https://www.paradeepphosphates.com/investors/scheme-of-arrangement, Central Depository Services (India) Limited (CDSL) at http://www.evotingindia.com/, BSE at https://www.bseindia.com/ and NSE at https://www.nseindia.com/.

Sd/-

Satya Smruti Mohanty
Chairperson appointed by the Hon'ble NCLT for the Meeting

Date: 30th April 2025
Place: Bhubaneshwar

Registered Office:
5th Floor, Odisha State Handloom Weavers' Co-Operative Building,
Pandit J.N Marg, Bhubaneswar, Odisha, India - 751 001
Tel: +0674 6666100
E-mail: cs.ppl@adventz.com
Website: www.paradeepphosphates.com
CIN: L241290R1981PLC001020

NOTES:

1. Explanatory Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto. Further, additional information as required under the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 issued by the SEBI are also annexed.

2. Since this Meeting is being held through Video Conferencing (‘**VC**’) / Other Audio Visual means (‘**OAVM**’), (a) Unsecured creditors will not be able to appoint proxies for the Meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice.

3. Corporate unsecured creditors are requested to send a certified copy of the Board Resolution authorising their representative to attend this Meeting, pursuant to Section 113 of the Act, through e-mail to the Scrutinizer at sppctc@yahoo.co.uk.

4. Only such Unsecured Creditors of the Company may attend and vote at the Meeting, whose names are appearing in the Chartered Accountant’s certificate certifying the list of unsecured creditors of the Company as on cut-off date. A person/entity who is not an Unsecured Creditor on such date should treat the Notice for information purpose only.

5. The quorum for the Meeting as directed by the Hon’ble NCLT shall be **15 (Fifteen)** in number as per Section 103(1)(a)(iii) of the Act. The unsecured creditor or authorized representative of the body corporate attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum.

6. The Notice of the Meeting and the Explanatory Statement along with the accompanying documents mentioned in the Index are being sent through electronic mode to those unsecured creditors whose e-mail addresses are registered with the Company and through postal service whose e-mail addresses are not registered with the Company. These documents are also available on the Company’s corporate website at https://www.paradeepphosphates.com/investors/scheme-of-arrangement.

   If so desired, the unsecured creditors may obtain a physical copy of the Notice and the Explanatory Statement along with accompanying documents free of charge, by sending request to the Company Secretary, mentioning their name through email at cs.ppl@adventz.com.

7. Unsecured creditors who have not registered/updated their e-mail addresses with the Transferee Company, are requested to register/update the same by writing to the Transferee Company at cs.ppl@adventz.com.

8. Unsecured creditors who would like to express their views or ask questions with respect to the agenda item of the Meeting will be required to register themselves as speaker by sending e-mail to the Company Secretary at cs.ppl@adventz.com from their registered e-mail address, mentioning their name and mobile number. Only those Unsecured creditors who have registered themselves as speaker at least 7 days prior to meeting i.e. Sunday, 25th May 2025 5:00 PM (IST) will be able to speak at the Meeting. The Chairperson of the Meeting reserves the right to restrict the number of questions and / or number of speakers, depending upon availability of time, for smooth conduct of the Meeting.

   Further, the unsecured creditors who would like to have their questions / queries responded to during the Meeting are requested to send such questions / queries in advance to the Company Secretary at cs.ppl@adventz.com within the aforesaid time period.

9. In terms of the directions contained in the Order, the Notice convening the Meeting is published by Company through advertisement in the **“Business Standard”** in English language, having nationwide circulation and in **“Sambad”** vernacular newspaper, having circulation in State of Odisha indicating the day, date and time of the Meeting.

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INSTRUCTIONS FOR ATTENDING THE MEETING THROUGH VC/OAVM AND E-VOTING

I. INSTRUCTIONS FOR REMOTE E-VOTING FOR UNSECURED CREDITORS

(i) The remote e-voting period would commence from Wednesday , May 28, 2025 at 9:00 A.M. (IST) and end on Sunday , June 01, 2025 at 5:00 P.M. (IST). The remote e-voting facility shall be disabled thereafter.

(ii) The Unsecured Creditors should log on to the e-voting website of CDSL www.evotingindia.com during the voting period.

(iii) Click on 'Shareholders / Members' tab.

(iv) Enter your User ID (which is sent to the respective Unsecured Creditors at their e-mail address registered with Company).

(v) Next enter the Image Verification / Captcha as displayed on the screen and click on Login.

(vi) Enter your password (which would be sent to the respective Unsecured Creditors at their e-mail address registered with Company).

(vii) After entering these details correctly, click on the "SUBMIT" tab.

(viii) Select the EVSN of **Paradeep Phosphates Limited** on which you choose to vote.

(ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

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

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

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

(xiii) You can also take out a print of the vote cast by you by clicking on "Click here to print" option on the voting page.

II. INSTRUCTIONS FOR UNSECURED CREDITORS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) Unsecured Creditors will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Unsecured Creditors may access the same at www.evotingindia.com under 'Shareholders / Members' login using the remote e-voting credentials. The link for VC/OAVM will be available after successful login where the EVSN of Paradeep Phosphates Limited will be displayed.

(ii) Unsecured Creditors can join the Meeting through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

(iii) Unsecured Creditors are advised to join the Meeting through desktop computers or laptops instead of mobile devices for a better experience.

(iv) Unsecured Creditors will be required to enable access to their devices' camera and microphone and be connected to a reliable internet network to avoid any disturbance during the Meeting.

(v) Unsecured Creditors connecting to internet via a mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of glitches.

(vi) Unsecured Creditors are encouraged to submit their questions in advance with regard to the Scheme, from their registered e-mail address, mentioning their name, address, PAN, e-mail address and mobile number, to reach at cs.ppl@adventz.com at least 7 days before the Meeting i.e. Sunday, 25th May 2025 5:00 PM (IST).

(vii) Unsecured Creditors who would like to express their views or ask questions during the Meeting may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, address, PAN, e-mail address and mobile number at cs.ppl@adventz.com at least 7 days before the Meeting i.e. Sunday, 25th May 2025 5:00 PM (IST).

(viii) Unsecured Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting for a maximum time of 3 (three) minutes each, once the floor is open for queries. Unsecured Creditors are requested to restrict their questions/views only on the Scheme.

III. INSTRUCTIONS FOR UNSECURED CREDITORS FOR E-VOTING DURING THE MEETING AS UNDER: -

(i) The procedure for e-Voting on the day of the Meeting is the same as the instructions mentioned above for remote e-voting.

(ii) Only those Unsecured Creditors who are present in the Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the Meeting.

(iii) If any votes are cast by the Unsecured Creditors through the e-voting facility available during the Meeting and if the same Unsecured Creditors have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Unsecured Creditors shall be considered invalid as the facility of e-voting during the Meeting is available only to the Unsecured Creditors attending the Meeting.

(iv) Unsecured Creditors who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

If you have any queries or issues regarding attending the Meeting & e-voting from the CDSL e- voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact the toll free number at 1800 22 55 33.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF PARADEEP PHOSPHATES LIMITED
AND
IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT AMONGST
MANGALORE CHEMICALS & FERTILIZERS LIMITED
("TRANSFEROR COMPANY")
AND
PARADEEP PHOSPHATES LIMITED
("COMPANY" OR "TRANSFEREE COMPANY" OR "APPLICANT COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

PARADEEP PHOSPHATES LIMITED (CIN: L24129OR1981PLC001020)
(PAN: AABCP3276D) A company incorporated under the Companies Act, 1956, having its registered office at 5th Floor, Odisha State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar, Odisha, India - 751 001

Represented by Mr. Sachin Shankar Patil, Authorised Signatory (Company Secretary)

... APPLICANT COMPANY / TRANSFEREE COMPANY

MANGALORE CHEMICALS & FERTILIZERS LIMITED
(CIN: L24123KA1966PLC002036)
(PAN: AABCM3599G)
A company incorporated under the Companies Act, 1956, having its registered office at Level-11, UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru, Karnataka, India - 560 001

Represented by Mr. Vighneshwar G Bhat, Authorised Signatory (Company Secretary)

… NON-APPLICANT COMPANY / TRANSFEROR COMPANY

EXPLANATORY STATEMENT UNDER SECTIONS 230 AND 232 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ACCOMPANYING THE NOTICE OF THE MEETING OF UNSECURED CREDITORS OF PARADEEP PHOSPHATES LIMITED CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CUTTACK BENCH DATED 25th APRIL 2025.

1. **Meeting to consider the Scheme**

   i) Pursuant to the order dated 25th April 2025 passed by the Hon'ble National Company Law Tribunal, Cuttack Bench ("**Hon'ble NCLT**") in the Company Application No. C.A. (CAA) NO. 4/CB/2025 ("**Order**"), a meeting of the unsecured creditors of Paradeep Phosphates Limited (the Company/Applicant Company/ Transferee Company) is being convened ("Tribunal Convened Meeting" or "Meeting") on 02nd June 2025 through video conferencing/ other audio visual means for the purpose of considering, and if thought fit, approving the proposed composite scheme of arrangement amongst Paradeep Phosphates Limited and Mangalore Chemicals & Fertilizers Limited (Non-Applicant Company/ Transferor Company) and their respective shareholders & creditors ("Scheme"), in compliance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**" / "**Act**"), the circulars issued thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). A copy of the Order and the Scheme are enclosed as **Annexure 1** and **Annexure 2** respectively.

The Scheme, *inter alia*, provides for the following:

a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act, 1961;

b) the transfer of the Identified Shares *(as defined in the Scheme)* from the Transferor Shareholder to the Transferee Shareholder; and

c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

2. **Rationale of the Scheme**

With a view to consolidate the business and other interests of the Transferee Company and the Transferor Company, the Transferee Company and Transferor Company have decided that the Transferor Company with all its business and other interests, be amalgamated with and into the Transferee Company.

The Transferor Company and Transferee Company are of the view that the proposed amalgamation of the Transferor Company with and into the Transferee Company would, *inter alia*, have the following benefits:

a) The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;

b) The Transferor Company and Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights, bigger market reach, common and economical source for the raw materials, and channel models to ensure faster reach to the market and to achieve faster growth;

c) The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and

d) The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company.

Key benefits of consolidation for the Company

The Company and Mangalore Chemicals & Fertilizers Limited (MCFL) are of the view that the proposed amalgamation of the MCFL with and into the Company will have the following benefits:

I. Become one of the largest integrated private sector fertilizer company in India:

The merger of the Company and MCFL would likely be driven by various strategic, financial, and operational rationales. Mergers in the fertilizer industry typically focus on achieving synergies, expanding market reach, improving operational efficiencies, and enhancing competitiveness.

II. Market Expansion and Geographic Reach

The Company is known for its operations in the eastern, northern and western part of India, while MCFL has a strong presence in the southern part. The proposed amalgamation will give the Company, the opportunity to expand on west coast as MCFL has available infrastructure for expansion and give PPL access to the deep southern markets particularly southern Karnataka and Tamil Nadu. The merger would help the combined entity expand its geographic footprint, thereby increasing market share across the country. This would also allow the merged company to tap into new regional markets, diversifying customer bases and providing more robust distribution networks. As we will be expanding the territory with a strong foot print, this will mitigate the potential risk of concentrated markets and regional unbalanced rainfall patterns which prevails in many parts of the country.

III. Economies of Scale

By merging, the two companies can achieve economies of scale, reducing the per-unit cost of production. This can come from better purchasing power, optimizing production processes, and increasing capacity utilization. Economies of scale can result in lower raw material costs, increased bargaining power with suppliers, and more efficient manufacturing and distribution operations.

IV. Diversification of Product Portfolio

The merger would provide a more diversified product offering. The Company focuses mainly on phosphatic fertilizers (NPK), while MCF has a broader portfolio that includes urea and other nitrogenous (N 20) fertilizers. Combining these product lines would create a more comprehensive range of offerings for farmers, enhancing their competitive advantage in the market. Also the non-bulk fertilizers can be marketed at PAN India level with the basket of product mix. A diversified product range can reduce dependency on any single product type and smoothen revenue generation by balancing market cycles for different types of fertilizers.

V. Cost Synergies and Operational Efficiencies

The merger could result in significant cost synergies by eliminating redundancies in operations, such as procurement of raw material in bulk (centralized procurement), shared administrative services, and joint research and development (R&D) activities. Both companies have substantial production facilities, so streamlining and integrating operations could result in better efficiency and cost-cutting. A larger, combined company would have greater bargaining power with both suppliers and customers. It could negotiate better prices for raw materials, fertilizers, and logistics services. This could help in securing better margins and pass on the benefits to customers in the form of competitive pricing. The company would also have a stronger position when negotiating contracts with large agribusiness players, distributors, and retail chains.

VI. Strengthened Financial Position

A merger would likely create a financially stronger entity by combining the revenue bases of both companies. This would improve the overall creditworthiness and access to financing at more favorable terms, which could be utilized for further expansion or improving infrastructure. The combined entity could potentially enjoy higher cash flows, which can be reinvested into strategic growth initiatives, such as expanding production facilities, launching new products, or enhancing R&D.

VII. Improved R&D and Innovation Capabilities, Sustainability and Environmental Factors

Both companies can pool their resources into research and development for new product innovations and improvements. The fertilizer industry has been focusing on producing more efficient, environmentally friendly, and sustainable fertilizers. A combined R&D team could lead to faster innovation cycles and a stronger ability to adapt to changing regulatory requirements. The merged entity could invest in new technologies such as **fertilizer coating** or **slow-release fertilizers** that reduce environmental impact. The merger could provide an opportunity for the combined entity to lead in sustainability efforts by developing more efficient fertilizers that minimize environmental harm.

VIII. Government and Regulatory Support

Fertilizer companies in India benefit from subsidies and government policies that support the sector. Merger could allow the combined company to better navigate regulatory frameworks, tap into subsidy schemes, and take advantage of favourable policies. Furthermore, a stronger, merged entity might be in a better position to engage with the government and advocate for policies that benefit the industry.

IX. Competitive Advantage

In an increasingly competitive fertilizer market, the merger would create a stronger player capable of better competing with other large entities in the sector. It could reduce market fragmentation and help in increasing pricing power, which is critical for profitability in the highly competitive and price-sensitive fertilizer industry.

The merger of the Company and MCFL would primarily aim to create a stronger, more efficient, and diversified fertilizer company with a broader market reach. It would also allow for significant operational synergies, cost savings, improved bargaining power, and the ability to invest more heavily in innovation and sustainability. Such merger would better position the new entity to face the challenges of the fertilizer industry while capitalizing on growth opportunities.

X. **Potential to increase trading business:**

Post amalgamation, the merged company is expected to have an increased reach to approximately 11 million farmers, thereby providing an additional avenue for trading of fertilizers to the merged company. Furthermore, Transferor Company has a geographical advantage in terms of lower upstream and downstream logistics cost, making trading from Transferor Company an attractive proposition with a clear advantage of all modes of logistics facilities available in readiness.

The Competition Commission of India and the Stock Exchanges have duly considered the proposed Scheme and provided its approval / no-objection letter to the Company.

The Scheme also provides for the transfer of Identified Shares (i.e. 2,90,37,000 Equity Shares of the Transferor Company) from the Transferor Shareholder to the Transferee Shareholder as an integral part of this Scheme. Further, the Scheme also provides that the Transferee Shareholder may acquire up to 1,90,16,030 Equity Shares of the Transferee Company on or prior to the Effective Date 1 (as defined in the Scheme). The proposed share transfers, together will ensure the continued control by the existing promoter of the Transferee Company as lender(s) of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Scheme becomes effective. The Share Transfer is expected to expedite the overall benefits of the Scheme and create enhanced value for the stakeholders of both the Transferor Company and the Transferee Company.

3. Background of the Companies

I. Particulars of the Transferee Company

a) The Transferee Company was originally incorporated as a private limited company, in Odisha, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 24, 1981, granted by the Registrar of Companies, Odisha at Cuttack under the name and style of 'Paradeep Phosphates Limited'. Transferee Company was granted an exemption under Section 620 of the Companies Act, 1956 from using the term 'private' as part of its name. Transferee Company was thereafter converted to a public company pursuant to a special resolution passed by Shareholders on April 29, 2002. The CIN of the Transferee Company is L241290R1981PLC001020, and its Permanent Account Number allotted by the Income Tax Department is AABCP3276D. The website address of the Transferee Company is www.paradeepphosphates.com.

b) The equity shares of the Transferee Company are listed on both BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

c) The main objects of the Transferee Company as set out in its Memorandum of Association, inter alia, includes the below:

i. *To carry on in India or in any part of the world all kind of business relating to fertilisers, heavy chemicals, heavy water and their by-products and in particular to carry on the business of manufacturing, storing, packing, distributing, transporting, converting, maintaining and rendering assistance and services of all and every kinds of any description, buying, selling, exchanging, altering, improving and dealing in artificial fertilisers, heavy chemicals of every description, whether required for civil, commercial or military defence purpose and requirements or otherwise.*

ii. *To carry on all kinds of business including manufacture, marketing, import and export of all kinds of chemicals, including agricultural chemicals and pesticides or any mixture, derivatives and compound thereof.*

iii. *To carry on in India or in any part of the world all kinds of business including manufacture, production, processing, marketing, import and export of all kinds of seeds and agri-inputs and agri-outputs.*

d) **Clause (xxiii)** of the Memorandum of Association which contain provisions for amalgamation is reproduced hereunder:

"To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the Company is authorised to carryon or possessed of property suitable for the purpose of this Company."

e) The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on 31st March 2025, is as under:

Authorised share capital	**Amount (INR)**
90,00,00,000 equity shares of INR 10/- each	900,00,00,000
100,00,000 7% non-cumulative redeemable preference shares of INR 100/- each	100,00,00,000
Total	**10,00,00,00,000**
Issued, subscribed and paid-up share capital	**Amount (INR)**
81,52,10,093 Equity Shares of Rs. 10/- each, fully paid-up	8,15,21,00,930
Total	**8,15,21,00,930**

Subsequent to the above date, except for the allotment of 1,45,908 equity shares of Rs. 10/- each on 1st April 2025 under the PPL - Employee Stock Option Plan 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

The last annual financial statements of the Transferee Company have been audited for the financial year ended 31st March 2024, which are enclosed as **Annexure 3**.

The Transferee Company has also published its unaudited financial results for the quarter and six months ended 30th September 2024 in the prescribed format, which are enclosed as **Annexure 4**.

f) The details of the promoters of the Transferee Company (as on the date of notice) along with their addresses are as follows:

Sr. No.	**Names of the Promoters**	**Category**	**Address**
1.	Zuari Maroc Phosphates Private Limited	Promoter	5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar, Khordha, Orissa, India - 751001

g) The details of the directors of the Transferee Company (as on the date of notice) along with their addresses are as follows:

Sr. No.	**Names**	**Designation**	**DIN**	**Address**
1.	Saroj Kumar Poddar	Nominee director/ Chairman	00008654	Podar Niket 2, Gurusaday Road, Ballygunge, Kolkata, WEST BENGAL-700019
2.	Narayanan Suresh Krishnan	Managing Director	00021965	Flat No. 1004, Tulip Block, Prestige Exotica, No. 3, Cunningham Crescent Road, Bangalore - 560 052
3.	Dipankar Chatterji	Independent Director	00031256	F2/2, Gillander House 8, Netaji Subhas Road, Kolkata- 700001
4.	Subhrakant Panda	Independent Director	00171845	30, Green Avenue, Vasant

Sr. No.	Names	Designation	DIN	Address
				Kunj SO, South, New Delhi, New Delhi-110070
5.	Satyananda Mishra	Independent Director	01807198	D-138, Defence Colony, New Delhi, New Delhi-110024
6.	Soual Mohamed	Nominee Director	08684762	NR 63, LOT LA Coline, Sidi Maarouf, Casablanca, Morocco
7.	Karim Lotfi Senhadji	Nominee Director	09311876	N 15, Res Terasses Oceans, B Bd, Abdelhadi Boutaleb H H, Casablanca, Morocco
8.	Rita Menon	Independent Director	00064714	S-298, Panchsheel Park, New Delhi, New Delhi-110017

II. Particulars of the Transferor Company

a) The Transferor Company was originally incorporated as a public limited company on 18th July 1966 under the provisions of the Companies Act, 1956, with Registrar of Companies, Bengaluru, under the name and style of 'Malabar Chemicals & Fertilizers Limited'. Subsequently, pursuant to the fresh certificate of incorporation dated 25th August 1971, the Transferor Company changed its name from 'Malabar Chemicals & Fertilizers Limited' to 'Mangalore Chemicals & Fertilizers Limited'. The CIN of the Transferor Company is L24123KA1966PLC002036. The website address of the Transferor Company is www.mangalorechemicals.com

b) The equity shares of the Transferee Company are listed on both BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

c) The main objects of the Transferor Company as set out in its Memorandum of Association, inter alia, includes the below:

i. *To carry on business of manufacturing fertilizers of all kinds and description, chemicals and other allied items required for agricultural and other industries.*

ii. *To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell,* *exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of fertilisers, organic fertilisers, inorganic fertilisers, agricultural chemicals, manures, their mixtures and formulations and any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof, and any and all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including but not limited to water soluble fertilisers and agricultural and industrial chemicals of all kinds, and industrial and other preparations or products arising from or required in the manufacture, refining etc. of any kind of water soluble fertilisers, fertiliser, manure, their mixtures and formulations.*

iii. (a) To deal in sale and purchase of fertilizers, chemicals and other allied items.

(b) To set up, develop, manage, own, acquire by way of lease or otherwise, retail and wholesale outlets for the purpose of selling, buying, marketing, stocking, merchandising, distributing all kinds of staples, fruits, vegetables, dairy products, condiments, confectioneries, bakery products, all household articles, apparels, electronic goods, footwear, lifestyle products, other general merchandise and home need items of all kinds, establish, operate and lease, Agri / food processing units dry and cold chain storage facilities of all kinds for storage of all agricultural produces and food grains, own, operate for lease and hire, trucks [refrigerated or otherwise] and bulk carriers of all kinds.

(c) To provide all kinds of agriculture related advisory/consultancy services including poultry, fisheries, piggery, animal husbandry, extension education to farmers, soil, fertilizer and water sampling and testing services, soil conservation, soil/water management services and watershed development, micro irrigation, pest management services, customized farm services, establish, operate and lease green houses, sale, lease, repair and maintenance of all kinds of farm and farm related tools, equipments and machineries.

(d) To carry on the business of producers, importers, exporters, buyers, sellers, dealers, distributors, wholesalers, retailers, stockists, C&F agents and warehouseman of all kinds of agricultural inputs , plant protection chemicals, seeds, seedlings, gratings, seed materials, products for soil health and plant nutrition management including soil amendments, conditioners, micronutrients specialty fertilizers, micro irrigations systems and equipments, feeds for dairy, poultry, piggery, fishery and other farm animals.

(e) To produce, procure all kinds of agriculture and farm produce, notified or otherwise, including all kinds of vegetables, fruits, cereals, pulses, oil seeds, all kinds of processed foods from farmers, wholesalers, retailers, auction houses,

brokers, commission agents, co-operatives, agri marketing societies, market committees, markets, market yards, and rural shandy, aggregate, segregate, sort, grade, wash, process, pack, warehouse for export as well as domestic sale to wholesalers, retailers and all kinds of agencies and institutions and through Company's own outlets.

iv. *To float companies, firms to carry on business of manufacturing fertilisers and chemicals and other allied items.*

v. *To acquire and erect factories for manufacturing of fertilizers and chemicals of all kinds and description required for agricultural and other allied industries.*

vi. *To enter into partnership or into any arrangement for sharing of profit, union of interest, co-operation, joint adventure, reciprocal concession or otherwise, with any corporation, firm or person carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engaged in.*

vii. *To enter into any arrangements with any Government or State authority, or municipal, local or otherwise or any corporation, firms, or persons that may seem conducive to the Company's objects or any of them and to obtain from any such authority, corporation, firm or person, any contacts, rights, privileges and concessions which the Company may think desirable.*

viii. *To receive money on deposit or loan and to borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures including privately placed debentures, or debenture stock (perpetual or otherwise), and to secure the repayment of any money borrowed, raised or owning by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or Company of any obligation undertaken by the Company or by any other person or Company as the case may be.*

ix. *To lend money to such persons, firms or companies and on such terms as may seem expedient, and in particular to customers, agents and others having dealings with the Company, and to guarantee the performance of contracts by any such persons, firms, or companies.*

x. *To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities, and transactions of any persons, firm or Company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purpose of the Company.*

xi. *To invest and deal with moneys of the Company not immediately required in such manner as may from time to time be determined.*

xii. *To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of this Company.*

xiii. *To draw, make, accept, endorse, discount, execute and issue, assign, otherwise deal in cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warrants and other negotiable or transferable instruments in connection with the Company's business.*

xiv. *To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of merchandise and wares by publication of books and periodicals and to procure the Company to be registered in any foreign place or country.*

d) The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on 31st March 2025, is as under:

Authorised share capital	**Amount (INR)**
12,40,00,000 Equity shares of Rs. 10/- each	124,00,00,000
6,00,000 13% redeemable cumulative preference shares of Rs. 100/- each	6,00,00,000
Total	**130,00,00,000**
Issued share capital	**Amount (INR)**
12,00,00,044 equity shares of Rs. 10/- each	120,00,00,440
Total	**120,00,00,440**
Subscribed and paid-up share capital	**Amount (INR)**
11,85,15,150 equity shares of Rs. 10/- each	118,51,51,500
Forfeited shares	3,35,000
Total	**118,54,86,500**

Subsequent to the above date there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company.

The last annual financial statements of the Transferor Company have been audited for the financial year ended March 31, 2024, which are enclosed as **Annexure 5**.

The Transferor Company has also prepared its unaudited financial results for the quarter and six months ended 30th September 2024, which are enclosed as **Annexure 6**.

e) The details of the promoters of the Transferor Company (as on the date of notice) along with their addresses are as follows:

Sr. No.	Names of the Promoters	Category	Address
1.	Shradha Agarwala	Promoter Group	C/O Gaurav Agarwala 1001/A E M Bypass Atmosphere Bldg Wtd-36 Gobinda Khatick Road Kolkata - 700046
2.	Jyotsna Poddar	Promoter Group	Poddar Niket 2 Gurusaday Road Kolkata - 700019
3.	Gaurav Agarwala	Promoter Group	Nandi Commercial 3rd Floor Suite 3c 14b Camac Street Kolkata - 700017
4.	Akshay Poddar	Promoter	Villa P 86 Emirates Hill 394 Nisreen Street,Dubai - UAE 117809
5.	Zuari Agro Chemicals Limited	Promoter	Jai Kisaan Bhawan Zuarinagar Goa - 403726
6.	Adventz Finance Private Limited	Promoter Group	31, B B D Bagh (South) Kolkata - 700001
7.	Mcdowell Holdings Limited	Promoter	No 51, Richmond Road Bangalore - 560025
8.	Zuari Industries Limited	Promoter	Jai Kisaan Bhavan Zuarinagar Goa - 403726
9.	United Breweries Holdings Limited	Promoter	*Under Liquidation*
10.	Kingfisher India Finvest Limited	Promoter	*Under Liquidation*

f) The details of the directors of the Transferor Company (as on the date of notice) along with their addresses are as follows:

Sr. No.	Names	Designation	DIN	Address
1.	Akshay Poddar	Chairman & Director	00008686	Poddar Niket, 2, Gurusaday Road, Kolkata, West Bengal, India, 700019
2.	Doddaballapur Prasanna Achutarao	Independent Director	00253371	6/3, Casa Laguna, Gangadhar Chetty Road, Ulsoor, Bangalore, Karnataka, India, 560042
3.	Marco Philippus Ardeshir Wadia	Independent Director	00244357	Thakur Nivas, 173, Jamshedji Tata Road, Mumbai, Maharashtra, India, 400020
4.	Nitin Manguesh Kantak	Whole-time Director	08029847	B-3, Zuari Colony, Zuarinagar, South Goa, Goa, India, 403726
5.	Narayanan Suresh Krishnan	Director	00021965	Flat No. 1004, Tulip Block, Prestige Exotica, No. 3, Cunningham Crescent Road, Bangalore, Karnataka, India, 560052
6.	Kiran Dhingra	Independent Director	00425602	H.NO. 83-C, Gancim, Batim, Goa Velha, North Goa, Goa, India, 403108

4. Details of change in the objects of the Transferee Company and Transferor Company

There has been no change in the objects of the Transferee Company or Transferor Company during the last five years

5. Details of change in the registered office of the Transferee Company and Transferor Company

There has been no change in the registered office of the Transferee Company or Transferor Company during the last five years

6. Salient Features of the Scheme

The salient features of the Scheme, *inter alia*, are as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in **Clause 8** of **Part I** of the

Scheme and are to be read subject to the same rules of interpretation as stated in **Clause 9** of **Part I** of the Scheme:

a) The Scheme, *inter alia,* provides for:

(i) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern on the Effective Date 2 (as defined in the Scheme) and with effect from the Appointed Date 2 (as defined in the Scheme), the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;

(ii) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1 (as defined in the Scheme) and with effect from the Appointed Date 1 (as defined in the Scheme);

(iii) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company;

(iv) "Effective Date 1" as defined in the Scheme, means the last date on which all of the conditions specified in **Clause 45** (Conditions Precedent to Effectiveness) of Part IV of this Scheme are complied with;

(v) "Effective Date 2" shall mean the date falling 3 (three) days from the Effective Date 1;

(vi) "Appointed Date 1" shall mean the Effective Date 1;

(vii) "Appointed Date 2" shall mean April 01, 2024;

(viii) "Record Date" shall mean the date fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company that are to be issued the Equity Shares of the Transferee Company pursuant to **Clause 23** of Section B of Part II of this Scheme;

Note: The unsecured creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

7. **Relationship subsisting between the Parties to the Scheme**

The Transferee Company and the Transferor Company are part of Adventz group of companies.

8. **Board approvals**

a) The board of directors of the Transferee Company unanimously approved the Scheme at their meeting held on 07th February 2024 and limited modification on 25th November 2024. The names of the directors and their manner of voting at this meeting are as follows:

In the Board Meeting dated 07th February 2024

Sr. No.	**Names**	**Voted in favour/ against/ abstained or Absent**
1.	Saroj Kumar Poddar	In favour
2.	Narayanan Suresh Krishnan	In favour
3.	Dipankar Chatterji	In favour
4.	Subhrakant Panda	In favour
5.	Satyananda Mishra	In favour
6.	Soual Mohamed	In favour
7.	Karim Lotfi Senhadji	In favour
8.	Rita Menon	In favour

In the Board Meeting dated 25th November 2024

Sr. No.	**Names**	**Voted in favour/ against/ abstained or Absent**
1.	Saroj Kumar Poddar	In favour
2.	Narayanan Suresh Krishnan	In favour
3.	Dipankar Chatterji	In favour
4.	Subhrakant Panda	In favour
5.	Satyananda Mishra	In favour
6.	Soual Mohamed	In favour
7.	Karim Lotfi Senhadji	In favour
8.	Rita Menon	In favour

b) The board of directors of the Transferor Company unanimously approved the Scheme at their meeting held on 07th February 2024 and limited modification on 25th November 2024. The names of the directors and their manner of voting at this meeting are as follows:

In the Board Meeting dated 07th February 2024

Sr. No.	Names	Voted in favour/ against/ abstained or Absent
1.	Akshay Poddar	In favour
2.	Doddaballapur Prasanna Achutarao	In favour
3.	Marco Philippus Ardeshir Wadia	In favour
4.	Nitin Manguesh Kantak	In favour
5.	Narayanan Suresh Krishnan	Absent
6.	Kiran Dhingra	In favour

In the Board Meeting dated 25th November 2024

Sr. No.	Names	Voted in favour/ against/ abstained or Absent
1.	Akshay Poddar	In favour
2.	Doddaballapur Prasanna Achutarao	In favour
3.	Marco Philippus Ardeshir Wadia	In favour
4.	Nitin Manguesh Kantak	In favour
5.	Narayanan Suresh Krishnan	Absent
6.	Kiran Dhingra	Absent

9. Interest of Directors, Key Managerial Personnel ('KMP')

a) The directors and key managerial personnel of the Transferor Company and Transferee Company and their relatives are not interested in the Scheme otherwise than as Directors and/or key managerial personnel and/or shareholders of the Transferor Company and the Transferee Company.

b) The Registers of Directors and KMPs and their shareholding of the Transferee Company will be available for inspection at the Registered Office of the Transferee Company between 10.00 a.m. to 2.00 p.m. on any working day up to the date of the meeting, for which purpose the shareholders are required to send an e-mail to the Company Secretary at cs.ppl@adventz.com.

10. Effect of the Scheme on the various stakeholders

The effect of the Scheme on various stakeholders is summarized below:

Sr. No.	Name of Stakeholders	Effect
1.	**Promoter Shareholders, non-promoter shareholders and KMPs**	Upon the Scheme becoming effective, the following promoters of Transferor Company shall, in addition to existing promoters of the Transferee Company, be deemed to be the promoters of the Transferee Company: a) Akshay Poddar, b) Shradha Agarwala, c) Jyotsna Poddar, Gaurav Agarwala, d) Zuari Agro Chemicals Limited, e) Adventz Finance Private Limited, and f) Zuari Industries Limited and their affiliates (if any) The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel of the Transferee Company and the Transferor Company has been set out in the report adopted by the respective Board of Directors of the said companies at their meeting held on 07th February 2024 and 25th November 2024, pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 7** to this Statement.
2.	**Creditors**	1) The proposed Scheme will not adversely impact the rights and interests of the creditors of the Transferee Company and the Transferor Company. 2) The creditors of the Transferor Company will cease to be creditors of the Transferor Company and shall become creditors of the Transferee Company on the same terms and conditions, as before, and shall be paid in the ordinary course of business by the Transferee Company. 3) The amount due to the creditors as on 31st January 2025 is further provided in paragraph 12 below.
3.	**Directors**	The Transferor Company shall amalgamate with the Transferee Company and hence will cease to exist. The Scheme will have no effect on the existing Directors of the Transferee Company. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme. It is clarified that the composition of the Board of Directors of the Transferee Company may change by appointments, retirements or

Sr. No.	Name of Stakeholders	Effect
		resignations in accordance with the provisions of the Act, SEBI Listing Regulations, other applicable laws, and the Memorandum and Articles of Association of these companies. The effect of the Scheme on the Directors of the Transferee Company and the Transferor Company in their capacity as shareholders and / or employees of the said companies is the same as in case of other shareholders and / or employees of the said companies. Further, the effect of the Scheme on the Directors of the Transferor Company and the Transferee Company has been set out, as mentioned in the report adopted by the respective Board of Directors of the said companies at their meeting held on 07th February 2024 and 25th November 2024, pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 7** to this Statement.
4.	**Debenture holders, Debenture Trustees, Depositors and Deposit Trustees**	The Transferee Company and the Transferor Company have neither issued any debentures nor taken any public deposits. Hence, there are no debenture holders, debenture trustees, depositors and deposit trustees.
5.	**Employees**	1) all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. 2) The Scheme will have no effect on the existing employees of the Transferee Company.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

11. No investigation proceedings

There are no proceedings instituted and/or pending under section 210 to 227 of the Act against the Transferee Company and /or the Transferor Company.

12. Amount due to creditors

The amount due to the secured and unsecured creditors of the Transferee Company as on 31st January 2025 are as follows:

Sr. No.	Creditors	Amount (in INR cr.)
1.	Secured creditors	4,079.11
2.	Unsecured creditors	1,910.59

There will be no adverse effect on account of the Scheme on the secured creditors and unsecured creditors of the Transferee Company.

13. Details of contracts/arrangements

There are no contracts/arrangements existing between the Transferee Company and the Transferor Company except those in the normal course of business which are as disclosed in the financial statements.

14. Summary of the Valuation Report and Fairness Opinion

a) For the purposes of the Scheme, a report in relation to the recommendation of fair equity share exchange ratio (hereinafter referred to as **"Share Exchange Ratio Report / Valuation Report**") for issuance and allotment of shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date pursuant to and in consideration of the amalgamation of the Transferor Company with and into the Transferee Company was jointly issued by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets (Registered Valuer Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar, Registered Valuer – Securities or Financial Assets (Registered Valuer Registration No. IBBI/RV/06/2019/12475) on 7th February 2024 which was confirmed in their joint report dated 25th November 2024. The Share Exchange Ratio Report has been enclosed as **Annexure 8**.

b) The share exchange ratio has been recommended as follows:

"187 (One Hundred and Eighty Seven) equity shares of the Transferee Company having a face value of INR 10 each fully paid-up shall be issued for every 100 (One Hundred) equity shares held in the Transferor Company having face value of INR 10 each fully paid-up". ("Share Exchange Ratio")

c) In compliance with Para (A)(2)(d) of Part I of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 ("**SEBI Scheme Circular**"), a Fairness Opinion dated 7th February 2024 and 25th November 2024 has been issued by Inga Ventures Private Limited, an Independent SEBI registered Category I Merchant Banker (SEBI Registration No. INM000012698), ("**Fairness Opinion**") providing its opinion on the fairness of the Share Exchange Ratio as recommended in the Share Exchange Ratio Report. The Fairness Opinion has been enclosed as **Annexure 9**.

d) The Audit Committee of the Transferee Company at its meeting held on 7th February 2024 and 25th November 2024 has recommended the Scheme, including the Share Exchange Ratio, after taking into consideration, *inter alia*, the aforesaid Share Exchange Ratio Report and Fairness Opinion. The independent directors of the Transferee Company at its meeting held on 7th February 2024 and 25th November 2024 has also recommended the Scheme. Report of the Audit Committee and Independent Directors of the Transferee Company is enclosed as **Annexure 10 and Annexure 11** respectively.

15. Details of capital and debt restructuring

a) There is no debt restructuring envisaged in the Scheme.

b) Pursuant to the Scheme, for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company, the equity shareholders of the Transferor Company as on the Record Date shall be issued 187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company and the said equity shares of the Transferee Company shall be listed on BSE and NSE.

16. Shareholding and capital structure of the Transferee Company and the Transferor Company

The pre and post-scheme shareholding pattern of the Transferee Company and the Transferor Company basis the shareholding pattern as on 22nd November 2024, are given in the table below:

Sr. No.	Description	Transferee Company				Transferor Company			
		Pre-scheme		Post-scheme		Pre-scheme		Post-scheme	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
(A)	**Promoter and Promoter Group**								
1	**Indian**								
(a)	Individuals / Hindu Undivided Family	-	-	9,48,374	0.09%	5,07,152	0.43%	-	-
(b)	Any Other	45,69,42,507	56.05%	60,43,99,330	58.29%	6,99,42,103	59.02%	-	-
	Sub-total (A)(1)	**45,69,42,507**	**56.05%**	**60,53,47,704**	**58.38%**	**7,04,49,255**	**59.44%**	-	-
2	**Foreign**								
(a)	Individuals (Non-Resident Individuals/ Foreign individuals)	-	-	26,22,545	0.25%	14,02,431	1.18%	-	-
	Sub-total (A)(2)	-	-	**26,22,545**	**0.25%**	**14,02,431**	**1.18%**	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**45,69,42,507**	**56.05%**	**60,79,70,249**	**58.64%**	**7,18,51,686**	**60.63%**	-	-
(B)	**Public**								
1	**Institutions (Domestic)**								
(a)	Mutual Funds	19,37,82,028	23.77%	20,46,36,663	19.74%	58,04,618	4.90%	-	-
(b)	Insurance Companies	3,10,16,105	3.80%	3,10,16,853	2.99%	400	0.00%	-	-
(c)	Alternative Investment Funds	-	-	9,68,660	0.09%	5,18,000	0.44%	-	-
(d)	Banks	-	-	3,98,842	0.04%	2,13,285	0.18%	-	-
(e)	Other Financial Institutions	-	-	3,190	0.00%	1,706	0.00%	-	-
	Sub Total (B)(1)	**22,47,98,133**	**27.58%**	**23,70,24,208**	**22.86%**	**65,38,009**	**5.52%**	-	-
2	**Institutions (Foreign)**								
(a)	Foreign Portfolio Investors Category I	2,26,79,952	2.78%	2,72,94,309	2.63%	24,67,571	2.08%	-	-
(b)	Foreign Portfolio Investors Category II	67,44,320	0.83%	69,12,322	0.67%	89,841	0.08%	-	-
	Sub Total (B)(2)	**2,94,24,272**	**3.61%**	**3,42,06,631**	**3.30%**	**25,57,412**	**2.16%**	-	-
3	**Central Government/State Government(s)/President of India**								
(a)	State Government / Governor	-	-	19,66,118	0.19%	10,51,400	0.89%	-	-
	Sub Total (B)(3)	-	-	**19,66,118**	**0.19%**	**10,51,400**	**0.89%**	-	-
4	**Non-Institutions**								
(a)	Directors and their relatives (excluding independent directors and nominee directors)	-	-	2,805	0.00%	1,500	0.00%	-	-
(b)	Key Managerial Personnel	2,361	0.00%	2,828	0.00%	250	0.00%	-	-
(c)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	7,37,18,687	9.04%	9,05,10,598	8.73%	1,78,91,446	15.10%	-	-
(d)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	2,11,65,763	2.60%	3,57,69,477	3.45%	78,09,473	6.59%	-	-
(e)	Non Resident Indians (NRIs)	26,87,102	0.33%	40,40,247	0.39%	7,23,607	0.61%	-	-
(f)	Foreign Nationals	1,152	0.00%	1,152	0.00%	-	-	-	-
(g)	Bodies Corporate	36,11,646	0.44%	1,31,69,870	1.27%	51,11,350	4.31%	-	-
(h)	Any Other	28,58,470	0.35%	66,83,366	0.64%	20,45,399	1.73%	-	-
(i)	Investor Education and Protection Fund (IEPF)	-	-	54,85,865	0.53%	29,33,618	2.48%	-	-
	Sub Total (B)(4)	**10,40,45,181**	**12.76%**	**15,56,66,208**	**15.01%**	**3,65,16,643**	**30.81%**	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)		**35,82,67,586**	**43.95%**	**42,88,63,170**	**41.36%**	**4,66,63,464**	**39.37%**	-	-
(C)	**Non-promoter non-public**								
1	Custodian/DR Holder	-	-	-	-	-	-	-	-
2	Employee Benefit Trust	-	-	-	-	-	-	-	-
Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)		**81,52,10,093**	**100.00%**	**1,03,68,33,419**	**100.00%**	**11,85,15,150**	**100.00%**	-	-

17. Cancellation of entire pre-Scheme share capital of the Transferor Company

Upon Part II of the Scheme coming into effect on the Effective Date 2 and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company in terms of **Clause 23** of Section B of Part II of this Scheme, the Equity Shares of the Transferor Company, shall be deemed to have been automatically cancelled, and any liability in respect of the same shall stand extinguished.

18. Auditors' certificate on conformity of accounting treatment specified in the Scheme with accounting standards

a) The auditors of the Transferee Company have confirmed that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

b) Further, the auditors of the Transferor Company have confirmed that no accounting treatment is required in the books of the Transferor Company.

The said certificates are enclosed as **Annexure 12.1** and **Annexure 12.2** respectively.

19. Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme

a) In terms of Regulation 37 of the SEBI Listing Regulations and SEBI Scheme Circular, BSE and NSE, by their letters, dated 27th February 2025 and 28th February 2025 respectively, have communicated their observations on the Scheme to the Transferee Company conveying their no adverse observations/no objection to the Scheme in the said letters. Copy of the observation letters, as received from BSE and NSE respectively are enclosed as **Annexure 13** and **Annexure 14** respectively.

b) Competition of India ("CCI"), vide its letter dated 30th July 2024 communicated to the Transferee Company that it has considered the proposed combination and approved the same under section 31 (1) of the Competition Act, 2002. CCI has also issued an Order dated 30.07.2024 under Section 31 (1) of the Competition Act, 2002.

c) The Scheme has been e-filed by the Transferee Company with the Hon'ble National Company Law Tribunal, Cuttack Bench on 04th March 2025. The Hon'ble NCLT, Cuttack Bench has passed directions to convene Meetings(s) of Equity Shareholders and Unsecured creditors of the Transferee Company vide an order dated 25th April 2025.

d) The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

e) There are no ongoing adjudication & recovery proceedings, prosecution initiated and any other enforcement action taken against the Transferee Company, its promoters and directors. A declaration with respect to the same by the Transferee Company is attached as **Annexure 15**.

f) The Transferee Company has not received any complaints relating to the Scheme and "Nil" complaint reports were filed by the Transferee Company as required by the SEBI Scheme Circular with BSE and NSE. Copies of the complaints reports of BSE and NSE filed by the Transferee Company are enclosed as **Annexure 16.1** and **Annexure 16.2**, respectively.

g) The Scheme, if approved at this Meeting, will be subject to subsequent sanction of the Hon'ble NCLT and such other approval(s), permission(s) and sanction(s) of regulatory or other authorities, as may be necessary.

h) The Transferee Company and the Transferor Company confirm that they have filed the Scheme with the Registrar of Companies, Cuttack and Registrar of Companies, Bengaluru respectively. Further, the Transferee Company and the Transferor Company confirm that the notice of the Scheme in the prescribed form is also being served on all the Authorities in terms of the Order dated 25th April 2025.

20. Additional Information

Following information and documents as advised by the Stock Exchanges are also provided as under::

a) Details of (pre & post Scheme) assets and liabilities of Transferee Company and Transferor Company – Please refer **Annexure 17**;

b) Valuation methods, rationale and assumptions considered for arriving at the share exchange ratio – Please refer Valuation report dated 7th February 2024 and 25th November 2025 jointly issued by SSPA & Co., Chartered Accountants and Mr. Pawan ShivKumar Poddar provided in **Annexure 8**;

c) Rationale & synergies of the Scheme and its impact on the public shareholders – Please refer Audit Committee Report dated and 07th February 2024 and 25th November 2024 provided in **Annexure 10**;

d) Impact, if any, of the liabilities of Transferor Company on the business of Transferee Company post scheme of arrangement – There is no impact on the liabilities of the Transferor Company post Scheme. All the liabilities of the Transferor Company, immediately before the Effective Date 2, shall become the liabilities of the Transferee Company, by virtue of the Scheme; and

e) Details of complaints received, if any, along with the response of the Transferee Company for resolution of complaints – Please refer **Annexure 16.1 and 16.2**.

21. Inspection of documents

In addition to the documents annexed hereto, copies of the following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members of the Transferee Company at its registered office between 10:00 a.m. to 2:00 p.m. on any day (except Saturday, Sunday and public holidays) up to the date of the Meeting. An advance notice shall be given by the members by e-mail to the Transferee Company at cs.ppl@adventz.com, if it is desired to obtain copies of the Notice from the registered office of the Transferee Company. Alternatively, a request for obtaining an electronic/ soft copy of the Notice may be made by writing an e-mail to cs.ppl@adventz.com.

a) Copy of the scheme of arrangement;
b) Certified copy of the order passed by the Hon'ble NCLT in Company Application No. (CAA) NO. 4/CB/2025 dated 25th April 2025 and received on 26th April 2025 directing the Transferee Company, to convene the meeting;
c) Memorandum and Articles of Association of the Transferee Company and Transferor Company;
d) Audited financial statements of the companies including consolidated financial statements, wherever applicable for the financial year ended 31st March 2024;
e) Unaudited financial statements of the companies for the six months ended 30th September 2024;
f) Valuation Report dated 7th February 2024 and 25th November 2024 jointly issued by SSPA & Co., Chartered Accountants and Mr. Pawan ShivKumar Poddar;
g) Fairness Opinion dated 7th February 2024 and 25th November 2024 issued by Inga Ventures Private Limited;
h) The certificate issued by the statutory auditors of the Transferee Company to the effect that the accounting treatment, proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act;
i) Copy of the resolution passed by the Board of Directors of the Transferee Company and the Transferor Company dated 07th February 2024 and 25th November 2024 approving the Scheme (Enclosed as **Annexure 18**);
j) Observation letter issued by BSE and NSE dated 27th February 2025 and 28th February 2025 respectively;
k) Report of Board of Directors of the Transferee Company and the Transferor Company dated 07th February 2024 and 25th November 2024 pursuant to the provisions of Section 232(2)(c) of the Act;

l) Report of Audit Committee and Independent Directors of the Transferee Company dated 07th February 2024 and 25th November 2024 recommending the Scheme;
m) Complaints report dated 25th November 2024 and 30th January 2025 submitted by the Transferee Company to BSE and NSE respectively;
n) All other documents displayed on the website of the Transferee Company at www.paradeepphosphates.com in terms of the SEBI Scheme Circular, as amended and other relevant SEBI Circulars; and all other documents referred to or mentioned in the Statement to this Notice.

Based on the above, and considering the rationale and benefits, in the opinion of the Board of Directors, the Scheme will be of advantage to, beneficial and in the best interests of the companies and their respective shareholders, creditors, employees and other stakeholders, and the terms thereof are fair and reasonable. The Board of Directors of the Transferee Company recommends the Scheme for the approval of its unsecured creditors.

Sd/-

Satya Smruti Mohanty
Chairperson appointed by the Hon'ble NCLT for the Meeting

Date: 30th April 2025
Place: Bhubaneshwar

Registered Office:
5th Floor, Odisha
State Handloom Weavers' Co-Operative Building,
Pandit J.N Marg, Bhubaneswar,
Odisha, India - 751 001.
Tel: +0674 6666100
E-mail: cs.ppl@adventz.com
Website: www.paradeepphosphates.com
CIN: L241290R1981PLC001020

NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

CA (CAA) NO. 4/CB/2025

[A Petition under Sections 230 to 232 of the Companies Act, 2013, read with Rule 15 of the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, and other applicable provisions of law.]

In the Matter of:

MANGALORE CHEMICALS & FERTILIZERS LIMITED
Represented by Mr. Vighneshwar G Bhat, Authorised Signatory
(CIN: L24123KA1966PLC002036)
A company incorporated under the Companies Act, 1956,
Having its registered office at Level-11, DB Tower,
DB City, 24, Vittal Mallya Road, Bengaluru,
Karnataka, India - 560001

...... **Transferor Company/Non-Applicant Company**

And

PARADEEP PHOSPHATES LIMITED,
(Represented by Mr. Sachin Shankar Patil, Authorised Signatory)
(CIN: L241290R1981PLCOOI020)
A company incorporated under the Companies Act, 1956,
having its registered office at 5th Floor,
Orissa State Handloom Weavers' Co-Operative Building,
Pandit J.N Marg, Bhubaneswar, Orissa, India - 751001 Represented by Mr. Sachin Shankar Patil, Authorised Signatory

..... **Transferee Company/Applicant Company**

Order pronounced on: 25/04/2025

CORAM: **DEEP CHANDRA JOSHI, MEMBER(JUDICIAL)**
BANWARILAL MEENA, MEMBER (TECHNICAL)

APPEARANCE:
FOR APPLICANT: **SHASWAT KUMAR ROUT, ADVOCATE**
SAROJ KUMAR RAY, FCS

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ORDER

1. This first motion application has been filed by Paradeep Phosphates Limited (hereinafter '**Applicant/Transferee Company'**) in relation to the proposed scheme of amalgamation between Mangalore Chemicals & Fertilizers Limited (hereinafter "**Transferor Company**") and the applicant company, pursuant to under Section 230-232 of the Companies Act, 2013 (hereinafter "**the Act**") read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 whereby inter alia the Transferor Company is proposed to be amalgamated with and into the Transferee Company from the Appointed Date i.e. April l, 2024.

2. The registered office of the Applicant Transferee Company is situated in the state of Odisha and is under the jurisdiction of the National Company Law Tribunal, Bench at Cuttack and the Transferor company falls under the jurisdiction of the National Company Law Tribunal, Bench at Bengaluru

3. The Transferee Company having CIN No. L241290R1981PLC001020 was originally incorporated as a private limited company, in Odisha, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 24, 1981, granted by the Registrar of Companies, Odisha, at Cuttack under the name and style of 'Paradeep Phosphates Limited'. Transferee Company was granted an exemption under Section 620 of the Companies Act, 1956, from using the term 'private' as part of its name. Transferee Company was thereafter converted to a public company pursuant to a special resolution passed by Shareholders on April 29, 2002.

4. The registered office of the Transferee Company is at 5th Floor, Odisha State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar, Odisha, India - 751001. The Transferee Company is engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-

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based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto.

5. The **Authorized Equity Share Capital** of the Transferee Company is presently Rs. 900,00,00,000/-(Nine Hundred Crores Rupees) divided into 90,00,00,000 Equity Shares of Rs.10/- each and the **Authorized Preference Share Capital** is presently Rs. 100,00,00,000/- (Hundred Crores Rupees) divided into 1,00,00,000 units of '7% Non-Cumulative Redeemable Preference Shares' of Rs.100/- each. The **Total Authorised Share Capital** is 1,00,00,00,000/- (One Thousand Crores Rupees). **The Subscribed and Paid-up Equity Share Capital** of the Transferee Company is Rs. 815,21,00,930/- divided into 81,52,10,093/- Equity Shares of Rs.10/- each fully paid up and the Subscribed.

6. Submission made by the Applicant Company in its application and as represented by the Ld. Counsel is summarised hereunder:

   a. The purpose of the scheme of amalgamation is stated as under:

      i. The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;

      ii. The Transferor Company and Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;

      iii. The proposed amalgamation is expected to inter alia result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Transferee Company, strengthening of organizational capabilities around

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financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and

iv. The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company

b. There are 5 (Five) important dates to give effect to this amalgamation as per the Scheme:

i. 'Effective Date 1' is defined in Clause 45 of the Scheme, which describes fulfilment certain pre-conditions for giving effect of Part III of the Scheme, which deals with transfer of Identified shares from Transferor Company to Transferee Company .

ii. 'Appointed Date 1' which shall mean the same as Effective Date 1

iii. 'Appointed Date 2' means 01.04.2024

iv. 'Effective Date 2' means 3 (Three) days from Effective Date

v. Record Date means date fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company that are to be issued the Equity Shares of the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme

c. The scheme will be effective in two different parts- Part II of the Scheme which deals with amalgamation of the Transferor Company with Transferee Company shall be 'effective' on and from the Appointed Date 2 and shall be 'operative' on and from the Effective Date 2.

Part III of the Scheme which deals with transfer of Identified Shares i.e. 2,90,37,000 shares of the Transferor Company, shall

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be 'effective' on and from the Appointed Date 1 and-shall be 'operative' on and from Effective Date I.

d. The Scheme also provides for the Share Transfer as per Clause 38 of the Scheme which shall be undertaken to ensure that the existing promoters of the Transferee Company continues to hold more than 50% of the share capital of the Transferee Company upon the consummation of the Scheme. This will ensure the continued control by the existing promoter of the Transferee Company as lender(s) of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% of the share capital of the Transferee Company even after the Scheme becomes effective

e. The Transferor company will transfer shares to Transferee company from the appointed date at a price of Rs. 144 (Indian Rupees One Hundred and Forty-Four) per Identified Share, and the Transferee Shareholder shall pay an aggregate cash consideration of Rs. 418.14 Crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately) for the Share Transfer, subject to any Taxes that need to be deducted at source.

All Taxes payable under Applicable Law, including income Tax, capital gains Tax or any other Tax, if any, relating to the transfer of the Identified Shares as may be applicable on the Transferor Shareholder shall be the sale responsibility of the Transferor Shareholder.

f. The Board of Directors of the Transferor Company and Transferee Company held meeting on 07.02.2024 and 25.11.2024 respectively and have approved the Scheme of Amalgamation. The copy of the Board resolutions of the Transferee Company is annexed with the application and marked as "***Annexure 11 and 12***" at Page Nos- 270-280.

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g. The copy of the Board Resolution has been filed with RoC, Cuttack in MGT-14 and is annexed as "***Annexure 13***" at Page Nos- 281-287.

h. The Transferee company is public listed company and the shares of the Transferee Company/Applicant Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the applicant company applied to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for obtaining their 'No Objection' to file the Scheme for sanction before Hon'ble Tribunal. BSE by its letter dated February 27, 2025 and NSE by its letter dated February 28, 2025, have respectively given their "no adverse observation" letters to the Transferee Company which is annexed with the application and marked as "***Annexure 15***" at Page No. 314-319.

i. Transferee Company has **2,25,257** (Two lakh Twenty-five thousand two hundred and fifty-seven) **equity shareholders**. The Chartered Accountant Certificate certifying the list of equity shareholders along with Top 100 equity shareholders of the Transferee Company as on 07th February 2025 along with Shareholding Pattern has been filed as "***Annexure 16***'

j. Transferee Company has **9 (Nine) secured creditors** amounting to INR 4,079,10,66,152 (Indian Rupees Four Thousand Seventy-Nine Crores Ten Lakhs Sixty-Six Thousand One Hundred and Fifty-Two Only) and **1924 (One thousand nine hundred twenty-four) Unsecured creditors** amounting to Rs. 1,910,59,16,573 (Indian Rupees One Thousand Nine Hundred Ten Crores Fifty-Nine Lakhs Sixteen Thousand Five Hundred and Seventy-Three Only) as on 31st January 2025. Certificate issued by Chartered Accountant certifying the list of secured creditors and Unsecured of the Transferee Company as on 31st January 2025, has been filed as "***Annexure 17 and 18***'

k. The Accounting treatment proposed in the Scheme conforms with the accounting standards prescribed U/s 133 of the Companies

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Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The certificate from the statutory auditor of the Transferee Company has been filed with the application and marked as "***Annexure-20***" in the application at Page 373-376.

l. The Transferee Company has obtained a joint valuation report from Registered Valuers along with Fairness Opinion from a Merchant Banker recommending the fair share exchange ratio in the Scheme. The shareholder of the Transferor Company as on the Record Date, 187 (One Hundred and Eighty-Seven) fully paid-up Equity Share(s) Rs. 10 each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 The joint valuation report along with Fairness Opinion are annexed to the Application as **"*Annexure 19*"** at Page no. 348-372.

m. No investigation or proceedings are pending against the Transferee Company under the Companies Act and/or the Insolvency and Bankruptcy Code, 2016 and Affidavit to that effect is attached as "***Annexure 21***" *at page 379-380.*

n. There is no ongoing non ongoing adjudication, recovery proceedings, prosecution initiated and other enforcement action taken against the Transferee Company, its promoters and directors and an affidavit to the effect has been attached as "***Annexure 22***" *at page 381.*

o. Scheme is not a corporate debt restructuring scheme and hence a creditor's responsibility statement and other requirements under section 230(2)(c) of the Act are not applicable to the present case and affidavit to that effect is attached as "***Annexure 23***" *at page 382-384.*

p. The Transferee company is not regulated by any sectoral regulators but since the Scheme qualifies as a 'combination' as per section 5 of the Competition Act, 2002 which requires prior approval to be obtained from the Competition of India ("CCI"), the Transferee Company filed a notification form under section 6(2)

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of the Competition Act, 2002 with the Hon'ble Competition Commission of India ("CCI") in relation to the Scheme. In this regard, CCI vide its letter dated 30th July 2024 communicated to the Transferee Company that it has considered the proposed combination and approved the same under section 31 (1) of the Competition Act, 2002. Hence, no separate notice of hearing of Application is to be issued to CCI. The affidavit affirming non-regulation by any sector regulator and notification by Competition Commission of India is attached as "***Annexure 24 and 25"*** *at page 388-402 and 403-407 respectively of the application*

q. The Applicant Company in its application has sought for the following directions:

i. *Convening and holding the meeting of the equity shareholders of the Transferee Company/Applicant Company through video conferencing/other audio-visual mode (VC/OVAM) as may be determined by this Hon'ble NCLT and on such date and at such time as this Hon'ble NCLT may direct and that a chairman and scrutinizer may be appointed for the meeting to be held.*

ii. *Convening and holding the meeting of the Secured Creditors of the Transferee Company/Applicant Company through video conferencing/other audio-visual mode (VC/OVAM) as may be determined by this Hon'ble NCLT and on such date and at such time as this Hon'ble NCLT may direct and that a chairman and scrutinizer may be appointed for the meeting to be held.*

iii. *Convening and holding the meeting of the Unsecured Creditors of the Transferee Company/Applicant Company through video conferencing/other audio-visual mode (VC/OVAM) as may be determined by this Hon'ble NCLT and on such date and at such time as this Hon'ble NCLT may*

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direct and that a chairman and scrutinizer may be appointed for the meeting to be held.

iv. *To issue notice for the meeting to the equity shareholders, secured creditors and unsecured creditors of the Transferee Company either through registered post, courier or by electronic mode (email) and dispense of the issuance of individual Meeting Notices under Section 230 (3) to the Unsecured creditors with due amount less than INR 1 lakh. The Hon'ble Tribunal may be pleased to direct for issuance of Meeting Notices to Unsecured Creditors whose debt is above INR 1 Lakh.*

v. *To fix the quorum for the respective meetings and the procedure to be followed for such meetings.*

vi. *Appoint chairperson and scrutinizer for such meeting or meetings to be held including the terms of appointment and remuneration for the chairperson and scrutinizer.*

vii. *Publication of notices in the newspapers, for convening and holding of the meeting(s) in "Business Standard" English newspaper and "Sambad" vernacular newspaper, in case, the Hon'ble NCLT has passed an order for convening such meeting(s)*

7. We have heard the counsel for the applicant company and perused the materials on record. It is noted that though at the time of filing of the application the applicant sought direction to convene meeting of its secured creditors but during the pendency of this application, the applicant filed a supplementary affidavit along with consent affidavits of the secured creditors whose credit value constitute more than 90% of the total credit value and sought dispensation of meeting of the Secured Creditors.

8. In light of the submissions made and documents filed we make the following directions in relation to the Applicant Transferee Company:

a. Equity Shareholders:

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i. To **convene** the meeting of all the Equity Creditors at **11 AM on 02.06.2025** through video conferencing and/or other audio-visual means (VC/OVAM). The Equity Shareholders of the Transferee Company/Applicant Company are **allowed to avail the facility of e-voting** during the aforesaid meeting.

ii. The remote e-voting facility and e-voting facility during the meeting for the Equity Shareholders of the Transferee Company/Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

iii. The applicant is directed to issue individual notice to all Equity Shareholders indicating the date and time aforesaid, containing instructions with regard to remote e-voting and e-voting at the time of the VC/OAVM meeting, together with a copy of the Scheme and a copy of the Explanatory Statement. The notices shall be sent per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in Form No. CAA-2 through email to email addresses of the Equity Shareholders duly registered with the Registrar and Transfer Agent/Depositaries/Applicant Company and hard copy of the Notice may be sent to those shareholders who request for the same.

iv. The notice along with the scheme and the Explanatory statement shall also be uploaded on the website of the Applicant Company and the websites of the Stock

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Exchanges, i.e., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

b. Secured Creditors:

i. The meeting of the Secured Creditors is **dispensed** with in terms of section 230(9) of Companies Act in light of the consent affidavits filed by the secured creditors having more than 90% credit value.

c. Unsecured Creditors:

i. To **convene** the meeting of all the Unsecured Creditors at **2 PM on 02.06.2025** through video conferencing and/or other audio-visual means (VC/OVAM). The Unsecured Creditors of the Transferee Company/Applicant Company are **allowed to avail the facility of e-voting** during the aforesaid meeting.

ii. The remote e-voting facility and e-voting facility during the meeting for the Unsecured Creditors of the Transferee Company/Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

iii. The applicant is directed to issue individual notice to all unsecured creditors at least 30 (Thirty) clear days of the date of the meeting indicating the date and time aforesaid, containing instructions with regard to remote e-voting and e-voting at the time of the VC/OAVM meeting, together with a copy of the Scheme and a copy of the Explanatory Statement. The applicant as prayed is not required to serve

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notice on those Unsecured Creditors whose outstanding due is less than Rs.1 Lakh.

The notices shall be sent per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in Form No. CAA-2 through email or through postal services to the last known postal addresses of the Unsecured Creditors.

iv. The notice along with the scheme and the Explanatory statement shall also be uploaded on the website of the Applicant Company

d. It is further directed that the notice of meeting(s) be published once each in the "**Business Standard, Bhubaneshwar Edition**" in English and "**Odia Daily, Sambad**" in Odia as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The notice of the meeting shall also be placed on the web site of the Transferee Company and also that of SEBI, BSE and NSE. The publication shall indicate the time within which the copies of the Scheme shall be made available to the concerned persons free of charge from the registered office of the Transferee Company.

e. Mr. Satya Smruti Mohanty, Advocate (having Mobile No. 8895090000, email ID: satya@smlawchambers.com) is appointed as Chairperson of the Meeting and the Transferee Company shall pay a consolidated fees of Rs.2,00,000/- (Rupees Two Lakhs Only) for acting as chairperson in the meeting of the Equity Shareholders and Unsecured Creditors.

f. Mr. Bishwajyoti Pattnaik, Practising Chartered Accountant, having Registration No.: 322862E; (having mobile number: +919437019573, email: sppctc@yahoo.co.uk) is appointed as the Scrutinizer of the meeting(s) to be held, as aforesaid. The

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Scrutinizer shall be paid a consolidated sum of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) for acting as Scrutinizer.

g. The **quorum** of the aforesaid meeting of the equity shareholders of the Transferee Company/Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013. Equity shareholders attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case the required quorum as stated above is not present at the commencement of the meeting(s), the meeting(s) shall be adjourned by 30 (thirty) minutes and thereafter the persons/shareholders present shall be deemed to constitute the quorum. The quorum for unsecured creditors shall be shall be as prescribed under Section 103 of the Companies Act, 2013. Unsecured Creditors attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case the required quorum as stated above is not present at the commencement of the meeting(s), the meeting(s) shall be adjourned by 30 (thirty) minutes and thereafter the persons/shareholders present shall be deemed to constitute the quorum.

h. The voting by proxy shall not be permitted as the meeting would be held through VC/ OAVM. However, voting in case of body corporate, voting by authorised representatives shall be permitted, provided the prescribed form/authorization is filed with the Transferee Company/Applicant Company no later than 48 hours before the start of the aforesaid meetings as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

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i. The Chairperson appointed for the aforesaid Meeting to issue the notices of the Meeting referred above. The said Chairperson shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).

j. The votes cast shall be Scrutinized by the Scrutinizer. Votes cast in all the modes shall be consolidated. The Scrutinizer shall prepare and submit the reports on the respective meetings along with all papers relating to the voting to the Chairperson of the meetings within **2 (two) days** of the conclusion of the meetings. The Chairperson shall declare the results of the meetings after submission of the reports of the Scrutinizer.

k. The Chairperson to file an affidavit not less than 7 (Seven) days before the date fixed for the holding of the meeting and do report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

l. Applicants to file an affidavit proving service of notices of meeting(s) and publication of advertisement and compliance of all directions contained herein at least a week before the meeting(s) to be held.

m. The Chairperson to report to this Tribunal, the result of the aforesaid meeting within 30 working days of the conclusion of the

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meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

n. The Applicant will file a confirmation petition, in form CAA-5, before this Tribunal within four weeks of approval of the Scheme of Amalgamation.

o. As a result, the present application being Company Application (CAA) NO. 4/CB/2024 is **ALLOWED** and **Disposed-off** accordingly.

p. There shall be no order as to costs.

q. Urgent certified copies of this order, if applied for, are supplied to the parties upon compliance of all requisite formalities.

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BANWARI LAL MEENA
Member (Technical)

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DEEP CHANDRA JOSHI
Member (Judicial)

COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

MANGALORE CHEMICALS & FERTILIZERS LIMITED ... **TRANSFEROR COMPANY**

PARADEEP PHOSPHATES LIMITED ... **TRANSFEREE COMPANY**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

PART I

GENERAL

WHEREAS:

1. **MANGALORE CHEMICALS & FERTILIZERS LIMITED** (hereinafter referred to as the "**Transferor Company**"), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24123KA1966PLC002036, and having its registered office at Level 11, UB Tower, UB City, 24, Vittal Mallya Road, Bangalore, Karnataka, India, 560 001. The Transferor Company was incorporated on July 18, 1966. The Transferor Company is *inter alia* engaged in the business of manufacture, purchase, import and sale of fertilizers. The Equity Shares (*as defined hereinafter*) of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).

2. **PARADEEP PHOSPHATES LIMITED** (hereinafter referred to as the "**Transferee Company**"), is a public company incorporated under the Companies Act, 1956 with corporate identity number L24129OR1981PLC001020, and having its registered office at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N. Marg, Bhubaneswar, Orissa, India, 751 001. The Transferee Company was incorporated on December 24, 1981. The Transferee Company is *inter alia* engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto. The Equity Shares (*as defined hereinafter*) of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

A. PREAMBLE

This Scheme (*as defined hereinafter)* is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter)* read with the relevant rules made thereunder, the relevant provisions of the SEBI Scheme Circular (*as defined hereinafter),* and the relevant provisions of the SEBI LODR Regulations (*as defined hereinafter)* for: (i) the amalgamation of the Transferor Company with and into the Transferee Company on a going concern basis in accordance with Section 2 (1B) of the Income Tax Act (*as defined hereinafter*) and the consequent issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Act, and the SEBI Scheme Circular; and (ii) the transfer of the Identified Shares (*as defined hereinafter*) from the Transferor Shareholder (*as defined hereinafter*) to the Transferee Shareholder (*as defined hereinafter*). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B. DESCRIPTION OF THE SCHEME

3. This Scheme provides, *inter alia,* for:

   (a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;

   (b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and

   (c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

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C. RATIONALE OF THE SCHEME

4. With a view to consolidate the business and other interests of the Transferee Company and the Transferor Company, the Transferee Company and Transferor Company have decided that the Transferor Company with all its business and other interests, be amalgamated with and into the Transferee Company.

5. The Transferor Company and Transferee Company are of the view that: (a) the proposed amalgamation of the Transferor Company with and into the Transferee Company; and (b) the Share Transfer contemplated under this Scheme, would be to the benefit of the shareholders and creditors of the Transferor Company and Transferee Company and would, *inter alia*, have the following benefits:

   (a) The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India;

   (b) The Transferor Company and Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to this Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;

   (c) The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company; and

   (d) The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company.

6. The Scheme also provides for the Share Transfer (*as defined hereinafter*), which shall be undertaken as an integral part of this Scheme to ensure that the existing promoter of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon the consummation of the Scheme. This will ensure the continued control by the existing promoter of the Transferee Company as lender(s) of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Scheme becomes effective. The Share Transfer is expected to expedite the overall benefits of the Scheme and create enhanced value for the stakeholders of both the Transferor Company and the Transferee Company.

D. PARTS OF THE SCHEME

7. This Scheme is divided into the following parts:

   (a) **Part I**, deals with the definitions of the terms used in this Scheme, the interpretation provisions of the Scheme, and also sets out the details of the share capital of the Transferor Company and the Transferee Company;

   (b) **Part II**, deals with the amalgamation of the Transferor Company with and into the Transferee Company on the Effective Date 2 (*as defined hereinafter*) and with effect from the Appointed Date 2 (*as defined hereinafter*), in accordance with Section 2 (1B) of the Income Tax Act and Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Scheme Circular and the SEBI LODR Regulations, the dissolution of the Transferor Company and listing of Equity Shares of the Transferee Company that are issued pursuant to the Scheme and the accounting treatment for the Scheme;

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(c) **Part III**, deals with transfer of the Identified Shares (*as defined hereinafter*) by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1 (*as defined hereinafter*) and with effect from the Appointed Date 1 (*as defined hereinafter*); and

(d) **Part IV**, deals with the general terms and conditions applicable to the Scheme including, *inter alia,* the transfer of the authorized share capital of the Transferor Company to the Transferee Company and the conditions precedent to effectiveness of the Scheme.

E. DEFINITIONS

8. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

(A) "**Act**" means the (Indian) Companies Act, 2013 and any rules, regulations, circulars notifications, clarifications or guidelines issued thereunder;

(B) "**Applicable Law**" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, approvals, bye-laws, regulations, notifications, guidelines, ordinance, policies, directions, directives, circulars, notifications and orders promulgated by a Governmental Authority (or any sub-division thereof), statutory authority, tribunal (including the Tribunals), board, court or Stock Exchanges, which are in force and binding at the relevant time, and as may be applicable;

(C) "**Appointed Date 1**" shall mean the Effective Date 1;

(D) "**Appointed Date 2**" shall mean April 01, 2024;

(E) "**Articles**" mean the articles of association of the Transferee Company;

(F) "**Board**" in relation to any company, means the board of directors of such company and shall, unless repugnant to the context thereof, include a committee of directors duly authorised by such board of directors;

(G) "**CCI**" means the Competition Commission of India;

(H) "**Clause**" means a clause of this Scheme;

(I) "**Consent**" means any notice, consent, approval, permission, authorisation, waiver, permit, clearance, no objection, license, exemption, of, from or to any Person;

(J) "**Contract**" means any agreement(s), contract(s), sub-contract(s), arrangement(s), memoranda of undertaking(s), guarantee(s) and indemnity(ies), memoranda(s) of agreement, expression(s) of interest, bid(s), letter(s) of intent, letter(s) of agreed points, instrument(s), understanding(s), commitment(s), purchase order(s) work order(s), deed(s), bond(s), warranty(ies), insurance(s), lease(s), license(s), tender(s), undertaking(s) or commitment(s) of any nature (whether or not the same is absolute, revocable, contingent, conditional, binding or otherwise (whether written or otherwise), including all amendment(s) and modification(s) thereto), to which the Transferor Company is a party or by which any of the assets held by the Transferor Company are bound;

(K) "**Effective Date 1**" shall have the meaning set forth in Clause 45 of Part IV of this Scheme;

(L) "**Effective Date 2**" shall mean the date falling 3 (three) days from the Effective Date 1;

(M) "**Encumbrance**" means any present or future mortgage, charge, pledge, assignment, hypothecation, lien, equitable interest, assignment by way of security, conditional sales contract, right of other Persons, title defect, voting trust agreement, pre-emptive right, restriction on transfer, option, security interest, title retention agreement or other encumbrance of any kind, or a contract to give any of the foregoing, including any restriction imposed under Applicable Law or contract on the transferability of any asset, whether present or future, and any security agreement or arrangement of any description whatsoever which has an economic or financial effect similar to the granting of security under Applicable Law and the term "**Encumber**" or "**Encumbered**" shall be construed

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accordingly;

(N) "**Equity Shares**" with respect to a company, mean the fully paid-up equity shares of such company;

(O) "**ESOP**" means employee stock options;

(P) "**Governmental Authority**" means any supranational, national, state, municipal or local government authority (including any subdivision, court, administrative or regulatory agency or commission or other authority thereof), quasi government authority, statutory authority, regulatory authority, agency, government department, board, commission, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof, over the Transferor Company and/or the Transferee Company, including the SEBI, the Stock Exchanges and the CCI;

(Q) "**Identified Shares**" means 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares of the Transferor Company;

(R) "**Income Tax Act**" means the (Indian) Income Tax Act, 1961, together with all applicable by-laws, rules, regulations, circulars, notifications, orders, ordinances, policies, directions and similar Applicable Laws or supplements issued thereunder;

(S) "**Liabilities**" shall have the meaning set forth in Clause 15;

(T) "**Merger Cooperation Agreement**" means the merger cooperation agreement dated February 7, 2024 executed between the Transferor Company and the Transferee Company;

(U) "**Person**" means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association (including unincorporated association), organization, partnership or proprietorship, body corporate, corporation (including any non-profit corporation), estate, society, firm, or any other enterprise or other entity, including any governmental agency or regulatory body, in each case, whether or not having separate legal personality and whether acting in an individual, fiduciary or other capacity;

(V) "**Proceedings**" shall have the meaning set forth in Clause 17(a);

(W) "**Record Date**" shall mean the date fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company that are to be issued the Equity Shares of the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme;

(X) "**Registered Valuer**" means a Person registered as a valuer in terms of Section 247 of the Act;

(Y) "**RoC**" means the Registrar of Companies having jurisdiction over the Transferee Company and/or the Transferor Company (as applicable);

(Z) "**Sanction Orders**" means the orders of the Tribunals approving the Scheme;

(AA) "**Scheme**" means this composite scheme of arrangement amongst the Transferor Company and the Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and rules made thereunder;

(BB) "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time;

(CC) "**SEBI LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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(DD) "**SEBI Scheme Circular**" means the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI on scheme of arrangement by listed entities and any other related circular(s) issued by the SEBI, as in effect from time to time;

(EE) "**Share Transfer**" shall have the meaning set forth in Clause 38;

(FF) "**Stock Exchanges**" means the stock exchanges where the equity shares of the Transferor Company and the Transferee Company are listed and are admitted to trading, *viz*, the BSE Limited and the National Stock Exchange of India Limited;

(GG) "**Tax**" means and includes all taxes on income, profit, sales, use, goods, services, asset, capital gains, fringe benefit, gift, gratuity, provident fund, minimum alternate tax, buyback distribution tax, securities transaction tax, dividend distribution tax, withholding taxes, tax collected at source, equalization levy, property tax, value-added tax, sales tax, transfer taxes, goods and service tax, duties of custom and excise, octroi duty, wealth tax, entry tax, stamp duty, customs and similar charges of any jurisdiction, and other governmental charges or duties, levies, imposts or other taxes whether direct or indirect, whether central, state or local, including any surcharge or cess (including education cess, health and education cess, secondary and higher education cess) thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; including payable in a representative capacity;

(HH) "**Transferee Company**" shall have the meaning ascribed to it in the preamble;

(II) "**Transferee Company ESOP Plan**" means the PPL Employee Stock Option Plan 2021, as may be amended, modified from time to time;

(JJ) "**Transferee Company Stock Options**" means the employee stock options granted by the Transferee Company under Transferee Company ESOP Plan;

(KK) "**Transferee Shareholder**" means Zuari Maroc Phosphates Private Limited, having corporate identity number U46692OR2002PTC017414 and its registered office at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N. Marg, Khordha, Bhubaneswar, Orissa, India, 751 001;

(LL) "**Transferor Company**" shall have the meaning ascribed to it in the preamble;

(MM) "**Transferor Shareholder**" means Zuari Agro Chemicals Limited, having corporate identity number L65910GA2009PLC006177 and its registered office at Jai Kisaan Bhawan, South Goa, Zuarinagar, Goa, India, 403 726;

(NN) "**Tribunals**" means collectively, (i) the National Company Law Tribunal, Bangalore Bench having jurisdiction over the Transferor Company; and (ii) the National Company Law Tribunal, Cuttack Bench having jurisdiction over the Transferee Company, as applicable, and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act, and "**Tribunal**" shall mean each of them individually;

(OO) "**Trustee**" shall have the meaning ascribed to it in Clause 26;

(PP) "**Undertaking**" means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):

(a) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds including but not limited to securities (whether marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, security deposits, advances extended, earnest monies, advance rentals, payment against warrants, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises,

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whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture(s), fixtures, share of any joint assets, and other facilities including without limitation all rights, title, interests, claims, covenants and undertakings in such assets of the Transferor Company;

(b) all permits, registrations, rights, entitlements, licenses, permissions, approvals (including licenses and approvals from any Governmental Authority), subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, minimum alternate Tax, self-assessment Tax, brought forward book losses and book unabsorbed depreciation to the extent such amounts are not set-off against book profits computed under Section 115JB of the Income Tax Act, brought forward Tax losses and unabsorbed depreciation under the provisions of the Income Tax Act, brought forward interest expenses to the extent not claimed as deduction under Section 94B of the Income Tax Act, other income Tax credits, withholding tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax holidays, Tax refunds (including those pending with any Tax authority), advantages, and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;

(c) all authorities, Consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post- dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits of the Transferor Company;

(d) all privileges and benefits of, or under, all Contracts whether written, oral or otherwise, or other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date 2;

(e) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever (whether registered or unregistered), any applications for registration of any intellectual property, goodwill, confidential and proprietary information, receivables, belonging to or utilized for the business and activities of the Transferor Company;

(f) all records, books, files, papers, computer programs, software licenses, engineering and process information, production methodologies, production plans, manuals, data, catalogues, quotations, websites, sales and advertising material, marketing strategies, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form or any other form, in connection with or relating to the Transferor Company;

(g) insurance covers and claims to which the Transferor Company is a party, or to the benefit of which the Transferor Company is eligible;

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(h) all legal, Tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature, initiated by or against the Transferor Company;

(i) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency or whether secured or unsecured), borrowings, term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form) of the Transferor Company; and

(j) all employees of the Transferor Company.

9. **INTERPRETATION**

In this Scheme, unless the context requires otherwise:

(a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

(b) words in the singular shall include the plural and *vice-versa*;

(c) the terms "hereof", "herein", or similar expressions used in this Scheme mean and refer to this Scheme and not to any particular clause of this Scheme;

(d) wherever the word "include", "includes", or "including" is used in this Scheme, it shall be deemed to be followed by the words "without limitation";

(e) any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all rules, regulations, circulars, notifications, instruments or orders made under such enactment;

(f) any reference to an "agreement" or "document" shall be construed as a reference to such agreement or document as amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document;

(g) where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words; and

(h) any reference to "INR" is to Indian National Rupees.

10. **SHARE CAPITAL**

(a) The share capital structure of the Transferor Company as on November 22, 2024 is as follows:

Particulars	Amount in INR
Authorised Share Capital:	
12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of INR 10 (Indian Rupees Ten) each	1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only)
6,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of INR 100 (Indian Rupees One Hundred only) each	6,00,00,000 (Indian Rupees Six Crores only)
TOTAL	**1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only)**

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Issued shares:	
12,00,00,044 (Twelve Crores and Forty Four) equity shares of INR 10 (Indian Rupees Ten) each	1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only)
TOTAL	**1,20,00,00,440 (Indian Rupees One Hundred and Twenty Crores Four Hundred and Forty only)**
Subscribed and fully paid-up shares:	
11,85,15,150 (Eleven Crores Eighty-Five Lakhs Fifteen Thousand One Hundred and Fifty) equity shares of INR 10 (Indian Rupees Ten) each	1,18,51,51,500 (Indian Rupees One Hundred and Eighteen Crores Fifty-One Lakhs Fifty One Thousand and Five Hundred only)
Forfeited shares (amount originally paid-up)	3,35,000 (Indian Rupees Three Lakhs Thirty-Five Thousand only)
TOTAL	**1,18,54,86,500 (Indian Rupees One Hundred and Eighteen Crores Fifty-Four Lakhs Eighty Six Thousand and Five Hundred only)**

The Equity Shares of the Transferor Company are listed on the Stock Exchanges.

(b) The share capital structure of the Transferee Company as on November 22, 2024 is as follows:

Particulars	Amount in INR
Authorised Share Capital:	
90,00,00,000 (Ninety Crores) equity shares of INR 10 (Indian Rupees Ten only) each	9,00,00,00,000 (Indian Rupees Nine Hundred Crores only)
1,00,00,000 (One Crore) 7% (seven percent) non-cumulative redeemable preference shares of INR 100 (Indian Rupees One Hundred only) each	1,00,00,00,000 (Indian Rupees One Hundred Crores only)
TOTAL	**10,00,00,00,000 (Indian Rupees One Thousand Crores only)**
Issued, subscribed and fully paid up shares	
81,52,10,093 (Eighty-One Crores Fifty Two Lakhs Ten Thousand Ninety Three) equity shares of INR 10 (Indian Rupees Ten only) each	8,15,21,00,930 (Indian Rupees Eight Hundred and Fifteen Crores Twenty One Lakhs Nine Hundred and Thirty only)
TOTAL	**8,15,21,00,930 (Indian Rupees Eight Hundred and Fifteen Crores Twenty One Lakhs Nine Hundred and Thirty only)**

The Equity Shares of the Transferee Company are listed on the Stock Exchanges.

The aforesaid issued, subscribed, and paid-up share capital of the Transferee Company does not include the ESOPs outstanding for exercise under the Transferee Company ESOP Plan. Upon exercise of the Transferee Company Stock Options in accordance with the terms and conditions of the Transferee Company ESOP Plan, the Transferee Company shall be required to issue fully paid-up Equity Shares of the Transferee Company in accordance with the terms and conditions of the

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Transferee Company ESOP Plan to such holders of the Transferee Company Stock Options and accordingly the issued, subscribed, and paid-up share capital of the Transferee Company may undergo a change.

F. DATE OF TAKING EFFECT OF THE SCHEME

Part II of the Scheme shall be effective on and from the Appointed Date 2 and shall be operative on and from the Effective Date 2. Part III of the Scheme shall be effective on and from the Appointed Date 1 and shall be operative on and from Effective Date 1.

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PART II

AMALGAMATION

SECTION A: AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY

11. **TRANSFER OF THE UNDERTAKING**

Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, and subject to the provisions of this Scheme, including the completion of the Share Transfer as set out in Part III of this Scheme: (a) the Transferor Company shall stand amalgamated with and into the Transferee Company; and (b) the Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act and other Applicable Law, be and stand transferred to and vested in the Transferee Company, as a going concern and shall become the property of and an integral part of the Transferee Company by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, deed, matter or thing so as to become, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and in accordance with Sections 230 to 232 and other applicable provisions of the Act, the Income Tax Act and Applicable Law.

12. **TRANSFER OF ASSETS**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

(a) all the estate, assets, rights, claims, title, interest, properties, and authorities comprised in the Undertaking shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become, the estate, assets, rights, claims, title, interest, properties, and authorities of the Transferee Company;

(b) all assets of the Transferor Company, that are movable in nature (including investment in shares and marketable securities) or incorporeal property or that are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recordal or by operation of law pursuant to this Scheme, including without limitation equipment(s), furniture(s), fixture(s), book(s), record(s), file(s), paper(s), computer program(s), engineering and process information, manual(s), data, production methodology(ies), production plan(s), catalogues, quotation.(s), website(s), sales and advertising material, marketing strategy(ies), list of present and former customers, customer credit information, customer pricing information, and other record(s), whether in physical form or electronic form or in any other form, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed, stand transferred to and vested in and deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;

(c) all other movable assets of the Transferor Company (except those specified elsewhere in this Clause), including without limitation, actionable claims, earnest monies, receivables, bills, sundry debts and receivables, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Governmental Authority or other authorities or bodies, customers and any other Persons, cheques on hand, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument, or deed become the property of the Transferee Company, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Transferor Company may, upon the receipt of

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the Sanction Orders, if so required, also give notice in such form as it may deem fit and proper to the debtors or obligors or any other Person, that pursuant to the Sanction Orders, the said debtors should pay to the Transferee Company, the debt, investment, loan, claim, bank balances and deposit or advance of the Transferor Company or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same shall stand vested in the Transferee Company;

(d) all immovable properties (including land, together with buildings and structures standing thereon), and rights, title and interests thereon or embedded to the land and all rights, title and interests and claims in any immovable properties of the Transferor Company, whether or not included in the books of the Transferor Company, whether freehold or leasehold or licensed or right of way or otherwise, all tenancies, and all documents of title, lease or license or rent agreements, security deposits, advance, prepaid lease/license fee, rights and easements in relation thereto, shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed on the same terms and conditions that exist with respect to the Transferor Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to such immoveable property including refund of any security deposits, advance, prepaid fee and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with on and from the Appointed Date 2, the title to all immovable properties shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the Sanction Orders with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The relevant Governmental Authorities may rely on the Scheme along with the copy of the Sanction Orders, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Transferee Company as the owner or lessee (as the case may be) of the immovable properties. The Transferee Company shall, upon receipt of the Sanction Orders be entitled to the delivery and possession of all documents of title in respect of such immovable property and incorporeal assets, if any, in this regard;

(e) the Transferee Company will be entitled to all intellectual property of the Transferor Company, including patents, trade and service marks, logo, domain names, database rights, copyrights, trade secrets, know-how, brands, marketing authorisations, marketing tangibles, designs, industrial designs, software, confidential processes, inventions, licenses, computer programs, manuals, data, catalogues, sales material and any other intellectual property or proprietary right whether owned by, licensed or assigned to the Transferor Company, whether or not the same are registered, along with all rights including those attached to goodwill, title, interest, labels and brand registrations, and all such other industrial or intellectual rights of whatsoever nature, and all intellectual property of the Transferor Company shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. Necessary filings, intimations, updates, etc., as may be required in terms of Applicable Law shall be undertaken with the relevant Governmental Authority, in order to reflect the foregoing and shall be carried out by the Transferee Company and Transferor Company, as may be applicable;

(f) all goodwill and past track record of the Transferor Company, including without limitation, the profitability, experience, credentials and market share, shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company and shall be deemed to be the goodwill and track record of the Transferee Company for all commercial and regulatory purposes including the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients;

(g) all bank accounts operated or entitled to be operated by the Transferor Company shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the

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name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realize monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. It is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company on or after the Effective Date 2, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and

(h) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instrument of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

13. **TRANSFER OF CONTRACTS, ETC.**

(a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to the provisions of this Scheme, all Contracts, insurance policies, applications, and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Effective Date 2, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all inter-se Contracts, and other instruments between the Transferor Company and the Transferee Company, if any, will stand cancelled and there shall be no further inter-se rights and obligations of the Transferor Company and the Transferee Company in this regard.

(b) Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date 2, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, by operation of law pursuant to the Sanction Orders without the requirement of any further act, instrument or deed, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company.

(c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, in accordance with the provisions hereof, if so required under the Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any Contract to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of

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the Transferor Company to be carried out or performed.

14. **TRANSFER OF LICENSES AND APPROVALS**

(a) Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all approvals, allotments, Consents, concessions, clearances, credits, awards, sanctions, exemptions, benefits, Tax deferrals, subsidies, incentives, refunds, grants, registrations, no-objection certificates, permits, quotas, rights, entitlements, assignments, authorisations, pre-qualifications, bids, acceptances, tenders, statutory licenses or other licenses (including the licenses granted by any Governmental Authority or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, privileges, powers, facilities, special status, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date 2, including the benefits of any applications made for any of the foregoing, shall by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and remain in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

(b) It is hereby clarified that if the Consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said party or the Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.

15. **TRANSFER OF LIABILITIES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or a foreign currency), sundry creditors, debentures, loans raised and used, advances duties and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of the Transferor Company of every kind, nature, and description whatsoever and howsoever arising and whenever due, raised or incurred or utilized for its business activities and operations ("**Liabilities**"), whether or not recorded in its books and records shall, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Effective Date 2 so as to become the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same.

16. **TRANSFER OF ENCUMBRANCES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

(a) the transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to Encumbrances, if any, affecting the same, as and to the extent hereinafter provided;

(b) all Encumbrances over the Transferor Company's assets existing immediately prior to the Effective Date 2, shall in so far as they secure or pertain to Liabilities of the Transferor Company, shall, after the Effective Date 2, continue to relate and attach to such assets or any

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part thereof to which they are related or attached prior to the Effective Date 2 and as are transferred to the Transferee Company. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company;

(c) if any assets of the Transferor Company have not been Encumbered in respect of any Liabilities transferred pursuant to this Scheme, such assets shall remain unencumbered, and any existing Encumbrance shall not be extended to and shall not operate over any other assets of the Transferor Company or the Transferee Company. The holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits, and interests of the Transferor Company and therefore, assets of the Transferor Company or the Transferee Company which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company; and

(d) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and / or modification(s) of charge(s), with the RoC to give formal effect of the above provisions, if required.

17. **TRANSFER OF LEGAL AND OTHER PROCEEDINGS**

Without prejudice to the generality of Clause 11 above, upon the coming into effect of Part II of this Scheme on the Effective Date 2 and with effect from the Appointed Date 2:

(a) any suits, actions, claims, cause of actions, appeals, legal or other proceedings (including tax proceedings), arbitration proceedings before any Governmental Authority or any other tribunal(s) and other proceedings of whatsoever nature ("**Proceedings**") by or against the Transferor Company which is pending prior to the Effective Date 2 or which may be instituted at any time in the future, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the Sanction Orders, without the requirement of any further act, instrument or deed;

(b) the Transferee Company shall be deemed to be authorised under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

18. **TRANSFER OF EMPLOYEES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2:

(a) all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. It is clarified that such employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall not less favourable than those that were applicable to such employees immediately before Effective Date 2;

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(b) with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme upon Part II of this Scheme coming into effect on the Effective Date 2, (i) all contributions made to such funds by the Transferor Company on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company, and shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (ii) all contributions made by such employees, including interests/ investments (which are referable and allocable to the employees transferred), shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the Sanction Orders, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company;

(c) any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee past or present, forming part of the Transferor Company shall not abate, be discontinued or in any way prejudicially affected by reason of the Scheme and shall be continued/ continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without the requirement of any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company;

(d) notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:

(i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or

(ii) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

(e) the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, take into account the past services of such employees with the Transferor Company;

(f) the Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with its employees; and

(g) employment information, whether in physical or electronic form, including personnel files including hiring documents, payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations, where relevant), disciplinary records, supervisory files relating to the employees of Transferor Company and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Transferee Company pursuant to the Sanctions Orders.

19. **TREATMENT OF TAXES**

Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2:

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(a) all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Transferor Company, including all or any refunds, claims or entitlements as to Tax credits, Taxes paid in advance, and / or Taxes deducted at source, and / or Taxes collected at source, including refunds or claims pending with the revenue authorities, if any, whether or not the same is reflected in Form 26AS/ Form AIS of the Transferor Company, shall, for all purposes be treated as the Taxes / cess / duties, liabilities or refunds of the Transferee Company by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;

(b) all deductions otherwise admissible to Transferor Company including without limitation deduction admissible on actual payment or on deduction of appropriate Taxes or on payment of Tax deducted at source (including, but not limited to, claim for sum prescribed under Section 43B, Section 40, Section 35DD and Section 94B of the Income Tax Act, claim for deduction of provisions written back by the Transferor Company previously disallowed in the hands of Transferor Company under the Income Tax Act, claim for debt or part of debt written off by Transferor Company under Section 36(1)(vii) read with Section 36(2) of the Income Tax Act where such debt or part of debt were offered to Tax by the Transferor Company, and claim for any deferred payments) shall be eligible for deduction to the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2 by operation of law pursuant to the Sanctions Orders, without the requirement of any further act, instrument or deed;

(c) the unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service Tax / goods and service Tax on input goods consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission, as an integral part of the Scheme, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;

(d) to the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective financial statements, income Tax returns (including under Section 170A of the Income Tax Act, Tax deducted at source or Tax collected at source), withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired;

(e) the Transferee Company shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Effective Date 2; and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Effective Date 2;

(f) notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2, shall, for all purposes, be treated as unabsorbed Tax depreciation and accumulated losses of the Transferee Company and the Transferee Company shall be eligible to set off unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Effective Date 2 against future taxable income of the Transferee Company in the same manner and to the same extent as would have been enjoyed, availed or utilized by the Transferor Company before the Effective Date 2;

(g) it is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of account shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax;

(h) any Tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Effective Date 2, shall be transferred to the Transferee Company. Any

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surplus in the provision for taxation or duties or levies in the accounts of the Transferor Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date 2 will also be transferred to the account of the Transferee Company, by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed;

(i) all Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as on the Effective Date 2, shall be continued and / or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with and into the Transferee Company pursuant to and in accordance with this Scheme or anything contained in this Scheme;

(j) any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Effective Date 2, shall also belong to and be received by the Transferee Company; and

(k) without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax (if applicable)) to which the Transferor Company is entitled to in terms of applicable tax laws, shall be available to and vest in the Transferee Company by operation of law pursuant to the Sanctions Orders without the requirement of any further act, instrument or deed.

20. The Transferee Company and the Transferor Company shall, respectively, take such actions as may be necessary and permissible in order to give formal effect to the provisions of Part II of this Scheme, including, without limitation, making appropriate filings with any Person (including the relevant Governmental Authorities), and such Person (including the relevant Governmental Authorities) shall take the same on record, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 in accordance with the terms hereof.

21. The Transferee Company shall, at any time after Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer/ obtain the approvals, Consents, Contracts, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company, including in connection with the transfer of properties of the Transferor Company to the Transferee Company. The Transferee Company shall file appropriate applications/ documents and make appropriate filings with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above on behalf of the Transferor Company, inter alia, in its capacity as the successor entity of the Transferor Company.

SECTION B: CONSIDERATION FOR AMALGAMATION

22. The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company.

23. Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 and in consideration of the amalgamation including the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, instrument or deed issue and allot to each equity shareholder of the Transferor Company as on the Record Date, 187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company.

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24. The share exchange ratio stated in Clause 23 above has been taken on record and approved by the Boards of each of the Transferor Company and Transferee Company after taking into consideration the joint valuation report dated February 7, 2024 provided by SSPA & CO., Chartered Accountants and Pawan Shivkumar Poddar, both who are Registered Valuers issued to the Transferor Company and the Transferee Company ("**Joint Valuers**"). Further, the share exchange ratio stated in Clause 23 above has been confirmed in the joint valuation report dated November 25, 2024 provided by the Joint Valuers, which valuation report has been taken on record and approved by the Boards of each of the Transferor Company and the Transferee Company on November 25, 2024.

25. The Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to Clause 23 of Section B of Part II of this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company. The Equity Shares of the Transferee Company issued pursuant to Clause 23 of Section B of Part II and in lieu of the locked-in shares of the Transferor Company, if any, will be subject to lock-in for the remaining lock-in period of such locked-in shares, in accordance with the SEBI Scheme Circular.

26. If any shareholder of the Transferor Company becomes entitled to a fractional Equity Share to be issued by the Transferee Company pursuant to Clause 23 of Section B of Part II of this Scheme, the Transferee Company shall not issue such fractional Equity Share to such shareholder of the Transferor Company, but shall consolidate all such fractional entitlements of all shareholders of the Transferor Company and the Board of the Transferee Company shall, without the requirement of any further act, instrument or deed, issue and allot such Equity Shares that represent the consolidated fractional entitlements to a trustee nominated by the Board of the Transferee Company ("**Trustee**") and the Trustee shall hold such Equity Shares, with all additions or accretions thereto, in trust for the benefit of the shareholders of the Transferor Company who are entitled to the fractional entitlements (and their respective heirs, executors, administrators or successors) for the specific purpose of selling such Equity Shares in the market within a period of 90 (ninety) days from the date of allotment of shares, and on such sale, distribute to the shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares and dividends or distributions made on such Equity Shares (after deduction of applicable Taxes and costs incurred and subject to withholding Tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to the Trustee pursuant to this Clause 26.

27. The Equity Shares issued by the Transferee Company in terms of Clause 23 of Section B of Part II of the Scheme shall be issued in dematerialized form and the register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme. The shareholders of the Transferor Company who hold equity shares in the Transferor Company in physical form shall provide requisite details relating to his/ her/ its accounts with a depository participant to the Transferee Company prior to the Effective Date 2 to enable the Transferee Company to issue Equity Shares in terms of Clause 23 of Section B of Part II of the Scheme.

However, if no such details have been provided to the Transferee Company by the relevant shareholder(s) holding equity shares in the Transferor Company in physical form prior to the Effective Date 2, the Transferee Company shall issue the corresponding Equity Shares in dematerialized form to the trustee nominated by the Board of the Transferee Company who shall hold such Equity Shares in trust for the benefit of the relevant shareholder(s) of the Transferor Company.

28. Upon Part II of this Scheme coming into effect on the Effective Date 2 and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company in terms of Clause 23 of Section B of Part II of this Scheme, the Equity Shares of the Transferor Company, shall be deemed to have been automatically cancelled, and any liability in respect of the same shall stand extinguished.

29. The Equity Shares allotted and issued in terms of Clause 23 of Section B of Part II of this Scheme, shall be listed and/or admitted to trading on the Stock Exchanges, where the Equity Shares of the

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Transferee Company are listed and/or admitted to trading. The Transferee Company shall make all requisite applications, and take all steps to list the Equity Shares issued and allotted pursuant to Clause 23, listed on the Stock Exchanges and obtain the final listing and trading permissions for such Equity Shares.

30. The Equity Shares issued and allotted in terms of Clause 23 of Section B of Part II of this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchange with respect to such Equity Shares.

31. Upon the Scheme coming into effect in accordance with its terms, in addition to the existing promoters of the Transferee Company (i.e., Zuari Maroc Phosphates Private Limited), Akshay Poddar, Shradha Agarwala, Jyotsna Poddar, Gaurav Agarwala, Zuari Agro Chemicals Limited, Adventz Finance Private Limited, Zuari Industries Limited and their affiliates (if any), shall each be and deemed to be the "promoters" of the Transferee Company.

32. On the approval of this Scheme by the Board and members of each of the Transferor Company and the Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act, if applicable, it shall be deemed that the Board and members of each of the Transferee Company and Transferor Company have also accorded their consent under Sections 13, 42, 61, 62(1)I and 64 of the Act and/ or any other applicable provisions of the Act and the relevant provisions of the Articles, as may be applicable, for the aforesaid issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company and amendment of the memorandum of association of the Transferee Company for reclassification and enhancement of the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 13, 42, 61, 62(1)(c) or 64 of the Act and/ or any other applicable provisions of the Act. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of the Act with the RoC or any other applicable Governmental Authority to record the amalgamation of Transferor Company with and into the Transferee Company, issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company, amendment of the memorandum of association of the Transferee Company and dissolution of the Transferor Company, in the manner set out in Section C of Part II of this Scheme.

33. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.

SECTION C: DISSOLUTION OF THE TRANSFEROR COMPANY

34. Upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, subject to Clause 49 of Part IV, the Transferor Company shall, without the requirement of any further act, instrument or deed, shall stand dissolved without winding up pursuant to the Sanction Orders.

35. On and from the Effective Date 2, subject to Clause 49 of Part IV: (i) the Board of the Transferor Company, shall, without the requirement of any further acts, resolutions, filings, instruments, or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the RoC.

SECTION D: ACCOUNTING TREATMENT

36. Notwithstanding anything to the contrary contained in the Scheme, pursuant to Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of account as per the acquisition method in accordance with accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with the Companies (Indian Accounting

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Standards) Rules, 2015, as amended and relevant clarifications issued by the Institute of Chartered Accountants of India.

37. As the Transferor Company shall stand dissolved without being wound up upon Part II of this Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as mentioned in Section C of Part II of this Scheme, there shall be no accounting treatment in the books of account of the Transferor Company.

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PART III

TRANSFER OF SHARES OF THE TRANSFEROR COMPANY

38. As lender(s) of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Scheme becomes effective, and in order to ensure that the existing promoter of the Transferee Company continues to hold more than 50% (fifty percent) of the share capital of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as an integral part of the Scheme, the Transferor Shareholder shall transfer the Identified Shares to the Transferee Shareholder, in accordance with Applicable Law, such that upon the transfer of the Identified Shares by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1, the Transferee Shareholder receives full legal and beneficial ownership of the Identified Shares and all rights, title and interest relating thereto, including all dividends, distributions or any return of capital declared, paid or made by the Transferor Shareholder, free and clear of Encumbrances ("**Share Transfer**"). The Transferee Shareholder may raise funds / financing from its shareholder(s) and/or from external source(s) (as may be required) to fund the Share Transfer as contemplated in this Part III of the Scheme.

39. The transfer of all the Identified Shares from the Transferor Shareholder to the Transferee Shareholder shall take place on the Effective Date 1, at a price of INR 144 (Indian Rupees One Hundred and Forty Four) per Identified Share, and the Transferee Shareholder shall pay an aggregate cash consideration of INR 418.14 Crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately) for the Share Transfer, subject to any Taxes that need to be deducted at source, if any.

40. All Taxes payable under Applicable Law, including income Tax, capital gains Tax or any other Tax, if any, relating to the transfer of the Identified Shares as may be applicable on the Transferor Shareholder shall be the sole responsibility of the Transferor Shareholder.

41. The Share Transfer shall take place and come into effect on the Effective Date 1 and with effect from the Appointed Date 1.

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PART IV

GENERAL TERMS AND CONDITIONS

42. **TRANSFER OF THE AUTHORIZED SHARE CAPITAL AND AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**

(a) As an integral part of this Scheme and upon Part II of the Scheme coming into effect on the Effective Date 2, the authorised share capital of the Transferor Company, comprised of INR 1,24,00,00,000 (Indian Rupees One Hundred and Twenty Four Crores only) of equity share capital, divided into 12,40,00,000 (Twelve Crores Forty Lakhs) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 6,00,00,000 (Indian Rupees Six Crores only) of preference share capital divided into 6,00,000 (Six Lakhs) 13% (thirteen percent) redeemable cumulative preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, shall stand reclassified entirely as INR 1,30,00,00,000 (Indian Rupees One Hundred and Thirty Crores only) of equity share capital, divided into 13,00,00,000 (Thirteen Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each, and shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company.

(b) As a consequence, the authorised share capital of the Transferee Company as set out in Clause 10(b) of Part I of this Scheme shall stand enhanced to INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) equity shares of face value of INR 10 (Indian Rupees Ten only) each and INR 100,00,00,000 (Indian Rupees One Hundred Crores only) divided into 1,00,00,000 (One Crore) and 7% (seven percent) non-cumulative redeemable preference shares of face value of INR 100 (Indian Rupees One Hundred only) each, without the requirement of any further act, instrument or deed, and the liability of the Transferee Company for payment of any additional fees or stamp duty in respect of such increase shall be limited to the difference between the fee or stamp duty payable by the Transferee Company on its increased authorized share capital after this entire Scheme comes into effect, and the fee or stamp duty paid by the Transferor Company, if any, on its authorised share capital, from time to time.

(c) Subsequent to the reclassification and enhancement of the authorised share capital of the Transferee Company as contemplated in this Clause 42, the authorised share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and read as follows:

> *"The Authorised Share Capital of the Company is INR 1,130,00,00,000 (Indian Rupees One Thousand One Hundred and Thirty Crores only) divided into 103,00,00,000 (One Hundred and Three Crores) Equity Shares of face value INR 10 (Indian Rupees Ten only) amounting to INR 1,030,00,00,000 (Indian Rupees One Thousand and Thirty Crores only), and 1,00,00,000 (One Crore) 7% (seven percent) Non-Cumulative Redeemable Preference Shares of face value INR 100 (Indian Rupees One Hundred only) each amounting to INR 100,00,00,000 (Indian Rupees One Hundred Crores only) with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the Share Capital."*

(d) For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferor Company and/or the Transferee Company, as the case may be, undergoes any change, prior to Part II of this Scheme coming into effect on the Effective Date 2, then this Clause 42 of Part IV of this Scheme shall automatically stand modified/ adjusted accordingly to take into account the effect of such change.

(e) On the approval of this Scheme by the Board and the members of the Transferor Company and Transferee Company pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and the rules made thereunder, the SEBI Scheme Circular and the SEBI LODR Regulations, if applicable, it shall be deemed that the Board and the members of the Transferor Company and Transferee Company have also accorded their consent under Sections 13, 61 and 64 of the Act and/ or any other applicable provisions of the Act

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and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and the Articles, as may be applicable, for effecting the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferor Company and/or the Transferee Company under Sections 13, 61 or 64 of the Act and/ or any other applicable provisions of the Act and the rules made thereunder, the relevant provisions of the SEBI LODR Regulations and/or the Articles. Upon Part II of this Scheme coming into effect on the Effective Date 2, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and the rules made thereunder with RoC or any other applicable Governmental Authority in respect of the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, in the manner contemplated under this Clause 42 of Part IV of this Scheme.

43. **VALIDITY OF EXISTING RESOLUTIONS**

The resolutions and powers of attorney of / or executed by the Transferor Company shall upon Part II of the Scheme coming into effect on Effective Date 2, stand terminated and revoked, and all authorities granted (including powers of attorney and board resolutions passed granting authority(ies) to Persons), to represent or act for and on behalf of the Transferor Company, including any authority granted to any Person(s) who is not an employee of the Transferor Company, to represent, interact or deal with, or enter into any arrangement with, any Governmental Authority, for and on behalf of the Transferor Company shall stand terminated and revoked.

44. **APPLICATIONS TO GOVERNMENTAL AUTHORITIES**

(a) The Transferor Company and the Transferee Company shall make all necessary application(s) and petition(s) to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act and the rules made thereunder, for sanction of this Scheme and all matters ancillary or incidental thereto, under provisions of Applicable Law and obtain such other approvals, as required under Applicable Law.

(b) Upon Part II of the Scheme being effective from the Effective Date 2, the members of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act and the rules made thereunder and Applicable Law for giving effect to the provisions contained in this Scheme.

(c) The Transferee Company and the Transferor Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority (including the Ministry of Chemicals and Fertilizers), if required under any Applicable Law for such Consents and approvals, as agreed between the Transferee Company and the Transferor Company, which they may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed.

45. **CONDITIONS PRECEDENT TO EFFECTIVENESS**

Part III of the Scheme shall become effective on the date on which the last of the following conditions are fulfilled (**"Effective Date 1"**):

(i) Approval of the members:

1. the requisite majorities in number and value of such classes of members of each of the Transferor Company and Transferee Company, as may be directed by the Tribunals or any other competent authority, as may be applicable, approving this Scheme; and

2. this Scheme being approved by the public shareholders of each of the Transferor Company and the Transferee Company through e-voting in terms of paragraph 10(a) of Part I of the SEBI Scheme Circular and the votes cast by the public shareholders of the Transferor Company and the Transferee Company in favour of this Scheme being more than the number of votes cast by public shareholders of the Transferor Company and the Transferee Company (respectively) against this Scheme,

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in each case, in compliance with the provisions of the Act, the SEBI Scheme Circular and / or the SEBI LODR Regulations.

(ii) the requisite majorities in number and value of such classes of secured and/or unsecured creditors of Transferor Company and Transferee Company, as applicable, as may be directed by the Tribunal or any other competent authority, as may be applicable, approving this Scheme;

(iii) the Transferee Company and Transferor Company having procured the approval of the CCI to consummate this Scheme, in accordance with the provisions of Applicable Laws, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;

(iv) the Stock Exchanges having issued their observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Scheme Circular, in a form and substance satisfactory to each of the Transferor Company and the Transferee Company;

(v) receipt of the Sanction Orders under the provisions of Sections 230-232 of the Act and receipt of certified copies of the Sanction Orders;

(vi) the certified copies of the Sanction Orders having been filed by the Transferor Company and the Transferee Company (as the case may be), with the respective RoC within the timeline specified under Applicable Law; and

(vii) the satisfaction (or waiver in writing) of such other conditions precedent as have been mutually agreed between the Transferor Company and the Transferee Company in writing, in the Merger Cooperation Agreement.

46. The Scheme shall not come into effect unless the aforementioned conditions precedent mentioned in Clause 45 above are satisfied (or to the extent permissible under Applicable Law, waived by the Transferee Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person.

47. Each of the Transferor Company and the Transferee Company shall file the Sanction Orders with the respective RoC within the timeline specified under Applicable Law. In case Part II of the Scheme does not become effective on Effective Date 2 and Part III of the Scheme does not become effective on Effective Date 1, within a period of 30 (thirty) days of receipt of respective Sanction Orders, the Transferor Company and the Transferee Company (as the case may be) shall be entitled to promptly file the Sanction Orders with the respective RoC in the requisite form(s), along with the necessary clarification letter(s), as may be required, within the time period prescribed under Applicable Law or the Sanction Orders. Upon Part II of the Scheme coming into effect in accordance herewith, the Transferor Company and the Transferee Company (as the case may be) shall file the requisite form(s), along with the necessary letter(s), as may be required, with their respective RoC.

48. The amalgamation of the Transferor Company with the Transferee Company pursuant to Part II of this Scheme shall be operative on and from the Effective Date 2 and shall be effective on and from the Appointed Date 2.

49. **SEQUENCING OF ACTIONS**

49.1 The Scheme shall be implemented in the following sequence:

Firstly, the following action under Part III of this Scheme shall occur on the Effective Date 1:

(a) Transfer of Identified Shares from the Transferor Shareholder to the Transferee Shareholder in accordance with Part III of this Scheme;

Subsequently and only after the action stated in (a) above has been undertaken and the Share Transfer having consummated, the following actions under Part II and Part IV of this Scheme shall occur pursuant to the effectiveness of Part II of this Scheme:

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(a) amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part II of this Scheme;

(b) transfer of the authorised share capital of the Transferor Company to the Transferee Company in accordance with Clause 42 of Part IV of this Scheme, and consequential increase in the authorised share capital of the Transferee Company;

(c) dissolution of the Transferor Company without winding-up in accordance with Clause 34 of Section C of Part II of this Scheme; and

(d) issue and allotment of Equity Shares of the Transferee Company by the Transferee Company to the equity shareholders of the Transferor Company (as of the Record Date) in accordance with Clause 23 of Section B of Part II of this Scheme.

49.2 To meet the overall objective set out in the Scheme and to continue to remain the holding company of the Transferee Company upon the Scheme coming into effect on the Effective Date 2, the Transferee Shareholder may acquire up to 1,90,16,030 (One Crore Ninety Lakhs Sixteen Thousand and Thirty) Equity Shares of the Transferee Company on or prior to the Effective Date 1.

50. **MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

The Transferor Company and Transferee Company will be at liberty to apply to the respective Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms hereof, in terms of the Act and the rules made thereunder.

Subject to the provisions of the SEBI Scheme Circular, the Transferee Company and the Transferor Company may, by mutual written consent and acting through their respective Boards (which shall include any committee constituted by the respective boards), assent to any modifications/ amendments to this Scheme and/ or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

51. **REMOVAL OF DIFFICULTIES**

The Transferor Company or Transferee Company (as the case maybe), may, by mutual consent and acting through their respective authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the Tribunals or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

52. **WITHDRAWAL OF THE SCHEME**

The Scheme shall be withdrawn from the Tribunals by the Transferor Company and the Transferee Company upon the occurrence of the following events:

(a) by mutual consent of the Transferor Company and the Transferee Company, acting through their respective board of directors; or

(b) upon termination of the Merger Cooperation Agreement.

53. **TAX NEUTRALITY**

This Scheme is in compliance with the provisions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, such that, *inter alia* upon Part II of this Scheme becoming effective on the Effective Date 2 and with effect from the Appointed Date 2:

(a) all the properties of the Transferor Company, immediately before the Effective Date 2,

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shall become the properties of the Transferee Company, by virtue of the amalgamation;

(b) all the Liabilities of the Transferor Company, immediately before the Effective Date 2, shall become the liabilities of the Transferee Company, by virtue of the amalgamation; and

(c) shareholders holding at least 3/4th (three-fourths) in value of the shares in the Transferor Company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) will become shareholders of the Transferee Company by virtue of the amalgamation.

If any terms or provisions of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, the provisions of Section 2(1B) of the Income Tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act and such modification shall not affect other terms or provisions of this Scheme.

54. **ENTIRE EFFECT**

Each section of this Scheme is inextricably inter-linked with the other sections and the Scheme shall be given effect only in its entirety in the sequence set out in Clause 49 of Section IV of the Scheme.

55. **COSTS**

(a) The Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the Tribunals, including without limitation, costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with any valuation report and the fairness opinion issued by their respective valuers and merchant bankers.

(b) Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the Sanction Orders) payable or assessed in connection with this Scheme, the issuance of Equity Shares by the Transferee Company and the transfers contemplated by the Scheme shall be borne by the Transferee Company and the Transferee Company shall be entitled to claim deduction of all such expenses in accordance with the provisions of Section 35DD of the Income Tax Act.

56. **SEVERABILITY**

If any provision of this Scheme becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Scheme, and the Transferor Company and the Transferee Company will negotiate in good faith to agree to replace such illegal, void, or unenforceable provision of this Scheme with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree, or declaration made by a court of competent jurisdiction. The balance of this Scheme shall be enforceable in accordance with its terms.

57. **REPEAL AND SAVING**

The provisions of the Act and rules made thereunder shall not be required to be separately complied with, in relation to acts done by the Transferor Company or the Transferee Company as per direction of the Tribunal or the Sanction Orders.

Suresh Krishnan

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Independent Auditor's Report

To the Members of Paradeep Phosphates Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Paradeep Phosphates Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and recoverability of subsidy revenue	
See Note 8 and 20 to standalone financial statements	
The key audit matter	How the matter was addressed in our audit
The Company recognizes the subsidy revenue from the Department of Fertilisers, Government of India ('GoI'). The revenue is recognised as per Nutrient Based Subsidy Policy ('NBS Policy') for Phosphatic and Potassic fertilisers and New Pricing Scheme for Urea at the time	In view of the significance of the matter, we performed the following procedures: • evaluated the design, implementation and operating effectiveness of internal controls for

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of sale of goods to its customers. Subsidy revenue is recognized on the basis of rates notified from time to time by the Department of Fertilisers, Government of India in accordance with NBS Policy and New Pricing Scheme. It is recognised on the basis of quantity of fertilisers sold by the Company. Further, recognition and realisability of subsidy income is subject to various conditions as per the GoI Policy. During the year, the Company has recognised Rs. 591,975.29 lakhs as subsidy revenue and out of this an amount of Rs. 190,560.66 lakhs is receivable as on 31 March 2024. In view of the significance of subsidy revenue and significant judgements involved around the interpretation and satisfaction of conditions specified in GoI policy, we have considered recognition and recoverability of subsidy income as a key audit matter.	recognition and recoverability of subsidy revenue • read the relevant notifications and circulars issued by the GoI from time to time with regard to subsidy policies • tested the subsidy rates considered by the Company for the product subsidy with the applicable circulars and notifications and relevant available pricing data of fertilisers and raw materials • reconciled the sales quantity considered for subsidy revenue with the actual sales quantity made by the Company • reconciled the quantities considered for estimation of subsidy revenue with quantities as per Integrated Fertilizer Management System • evaluated the Company's assessment regarding compliances with relevant conditions as specified in the notifications and policies relating to subsidy • understood and challenged the basis of judgements made in relation to the relevant notifications/circulars including past precedence and subsequent evidence, as applicable • for evaluating the recoverability of receivables, tested the ageing analysis and assessed the information used to determine the recoverability of receivables by considering the historical trends and subsequent collections

Impairment of Goodwill	
See Note 44(b) to standalone financial statements	
The key audit matter	How the matter was addressed in our audit
The Company tests goodwill for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill relates. The annual impairment testing of goodwill involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows. Accordingly, impairment assessment of goodwill is considered a key audit matter	Our audit procedures relating to impairment testing included the following: • Evaluated design and implementation and tested operating effectiveness of controls. • Assessed the valuation methodology and challenged the assumptions such as discount rate, revenue growth rate, terminal growth rate used with the assistance of our valuation specialists.

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	• Performed sensitivity analysis of key assumptions. • Evaluated the adequacy of disclosures in respect of the same in the financial statements.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

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

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2 A. 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors on 31 March 2024 and 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

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

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that audit trail was not enabled at the database level for accounting software to log any direct data changes. Further the feature of audit trail was not enabled at the application layer of the accounting software for data changes performed by certain users. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

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KOLKATA
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN:24055757BKEYKL7284

Place: Bengaluru
Date: 15 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	27.94	Not applicable	Not applicable	1982-85	Delay on account of administrative formalities

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

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

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of income tax, provident fund and labour welfare fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax demand	32.77	2016-17	Orissa High Court	
Income-tax Act, 1961	Income tax demand	37.21*	2016-17	Commissioner of Income Tax (Appeals)	*Net of amount paid under protest of Rs. 13.26 lakhs
Income-tax Act, 1961	Income tax demand	15.78	2015-16	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income tax demand	11.18	2015-16	Commissioner of Income Tax (Appeals)	

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Goods and ServicesTax Act, 2017	Goods and Services Tax Demand	181.82	July 2017 to January 2018	Additional Commissioner, GST	
Central Sales Tax Act, 1956	CST Demand on branch transfers and disallowance of export sales	8420.51*	2005-06	Joint Commissioner of CT & GST, Paradeep	*Net of amountpaid under protest of Rs. 2000 lakhs
Orissa Value Added Tax	Disallowance of input tax credit	47.80*	April 2016 – June 2017	Joint Commissioner of CT & GST, Paradeep	*Net of amountpaid under protest of Rs. 4.16 lakhs
Central Sales Tax Act, 1956	Demand of central sales tax	15.44*	2013-14	Sales Tax Appellate Tribunal	*Net of amountpaid under protest of Rs. 36.04 lakhs
Finance Act 1994	Service tax demand	79.90*	April 2016 – June 2017	Customs Excise and Service Tax Appellate Tribunal	*Net of amountpaid under protest of Rs. 8.90 lakhs
Central Excise Act,1944	Excise duty	216.58	2010-11	Customs Excise and Service Tax Appellate Tribunal	*Net of amountpaid under protest of Rs. 17.56 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Penalty	178.79	October 2010 to March 2012	Joint Commissioner of CT & GST, Paradeep	
Orissa Entry	Entry Tax	1,544.47*	2007 to	Orissa High	*Net of

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Tax Act, 1999	Interest		2012, 2014 to September 2015	Court	amountpaid under protest of Rs. 508 lakhs
Orissa Entry Tax Act, 1999	Entry Tax Interest and Penalty	259.41	October 2009	Commissioner of Sales Tax & GST	
Orissa Entry Tax Act, 1999	Entry Tax Demand	418.70	March 2006 to July 2008	Orissa High Court	
Orissa Entry Tax Act, 1999	Entry Tax Demand	5,517.04*	2002-03 to September 2015	National Company Law Appelate Tribunal	*Net of amountpaid under protest of Rs. 35.21 lakhs
Odisha Irrigation Act, 1959	Interest on water charges	3,608.87	2008-2022	Orissa High Court	
Custom Act,1962	Demand on rejection of transaction value on import of MOP	63.92*	2006 to 2008	Customs Excise and Service Tax Appellate Tribunal	*Net of amountpaid under protest of Rs. 7.10 lakhs
Custom Act,1962	Denial of concessional rate basic custom duty	284.74	2001-2006	Customs Excise and Service Tax Appellate Tribunal	
Custom Act,1962	Denial of concessional rate basic custom duty	148.28	2002-2004	Customs Excise and Service Tax Appellate Tribunal	
Custom Act,1962	Penalty towards denial of concessional	25.10*	2010-2012	Customs Excise and Service Tax Appellate	*Net of amountpaid under protest of

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
	rate Counter veiling duty			Tribunal	Rs. 1.00 lakhs
Goa Green Cess	Non registerigunder Goa green Cess Act 2013	4,813.96*	2013-2022	Addl. Commissioner, CT and GST, Goa	*Net of amountpaid under protest of Rs. 534.89 lakhs
Central Goods and Services Tax Act, 2017	Penalty towards wrongfu availmentof transitional credit	0.81	2017-18	Additional Commissioner (A), GST, West Bengal	*Net of amountpaid under protest of Rs. 0.09 lakh
Central Goods and ServicesTax Act, 2017	Goods and services tax demand	50.94*	2017-18 to 2019-20	Additional Commissioner (A), CT & GST	*Net of amountpaid under protest of Rs. 2.65 lakhs
Central Goods and ServicesTax Act, 2017	Goods and services tax demand	2.36	2017-18	Additional Commissioner Appeals, CT & GST	
Central Goods and ServicesTax Act, 2017	Goods and services tax demand	215.82*	2017-18	Additional Commissioner Appeals, CT & GST	*Net of amountpaid under protest of Rs. 11.36 lakhs

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

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KOLKATA
Chartered Accountants

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

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

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Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

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

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN:24055757BKEYKL7284

Place: Bengaluru
Date: 15 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Paradeep Phosphates Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Paradeep Phosphates Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

B S R & Co. LLP KOLKATA Chartered Accountants

Annexure B to the Independent Auditor's Report on the standalone financial statements of Paradeep Phosphates Limited for the year ended 31 March 2024 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
ICAI UDIN:24055757BKEYKL7284

Place: Bengaluru
Date: 15 May 2024

PARADEEP PHOSPHATES LIMITED
Standalone Balance Sheet as at 31 March 2024
(All amounts are in rupees lakhs, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4(a)	3,35,317.89	2,79,571.01
(b) Right-of-use assets	4(c)	1,790.53	1,619.27
(c) Capital work-in-progress	4(b)	37,219.28	69,686.32
(d) Goodwill	44(b)	5,806.94	5,806.94
(e) Other intangible assets	4(d)	184.50	177.84
(f) Investment in associate	5	365.61	365.61
(g) Income tax assets(net)		5,950.43	1,106.62
(h) Other non-current assets	6	3,828.56	5,900.04
Total non-current assets		**3,90,463.74**	**3,64,233.65**
II. Current assets			
(a) Inventories	7	1,83,082.95	2,23,767.72
(b) Financial assets			
(i) Trade receivables	8	2,72,047.93	3,68,973.75
(ii) Cash and cash equivalents	9(a)	9,071.79	4,303.42
(iii) Bank balances other than (ii) above	9(b)	2,730.57	6,681.98
(iv) Other financial assets	10	50,419.05	33,718.27
(c) Other current assets	6	58,314.22	64,048.36
(d) Assets classified as held for sale	11	23.26	23.26
Total current assets		**5,75,689.77**	**7,01,516.76**
Total assets (I+II)		**9,66,153.51**	**10,65,750.41**
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	12	81,477.86	81,449.76
(b) Other equity	13	2,75,003.13	2,69,070.79
Total equity		**3,56,480.99**	**3,50,520.55**
II. Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(a)	67,650.58	61,188.79
(ii) Lease liabilities	14(b)	1,722.29	1,603.78
(iii) Other financial liabilities	15	-	180.42
(b) Provisions	16	2,621.40	2,379.21
(c) Deferred tax liabilities (net)	17	15,085.16	10,778.02
Total non-current liabilities		**87,079.43**	**76,130.22**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(c)	3,31,786.96	4,01,921.53
(ii) Lease liabilities	14(b)	210.89	77.32
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		929.88	667.47
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,47,881.85	1,90,580.20
(iv) Other financial liabilities	15	22,455.43	24,003.11
(b) Other current liabilities	19	12,020.43	11,554.50
(c) Provisions	16	7,284.90	9,000.56
(d) Current tax liabilities (net)		22.75	1,294.95
Total current liabilities		**5,22,593.09**	**6,39,099.64**
Total liabilities (1+2)		**6,09,672.52**	**7,15,229.86**
Total equity and liabilities (I+II)		**9,66,153.51**	**10,65,750.41**

Material accounting policies 2

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757
Place: Bengaluru
Date - 15 May 2024

For and on behalf of the Board of Directors of
Paradeep Phosphates Limited
CIN: L24129OR1981PLC001020

N. Suresh Krishnan
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15 May 2024

S.K. Poddar
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15 May 2024

Sachin Patil
Company Secretary
Place: Bengaluru
Date - 15 May 2024

Bijoy Kumar Biswal
Chief Financial Officer
Place: Bengaluru
Date - 15 May 2024

B S R & Co. LLP
KOLKATA
Chartered Accountants

Paradeep Phosphates Ltd.
Bhubaneswar

PARADEEP PHOSPHATES LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2024
(All amounts are in rupees lakhs, unless otherwise stated)

		Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
	Income			
I.	Revenue from operations	25	11,57,511.98	13,34,072.19
II.	Other income	21	6,883.51	9,107.00
III.	**Total income (I+II)**		**11,64,395.49**	**13,43,179.19**
IV.	**Expenses**			
	Cost of raw materials consumed	22	7,60,903.84	10,43,969.52
	Purchase of stock in trade		1,05,508.61	18,226.12
	Changes in inventories of finished goods, stock-in-trade and work in progress	23	33,431.87	(877.73)
	Employee benefits expense	24	32,978.77	21,320.25
	Finance costs	25	26,602.70	29,124.25
	Depreciation and amortisation expense	26	21,067.03	17,515.31
	Other expenses	27	1,69,885.95	1,71,335.01
	Total expenses (IV)		**11,50,378.77**	**13,00,612.73**
V.	**Profit before tax (III-IV)**		**14,016.72**	**42,566.46**
VI.	**Tax expense**			
	- Current tax	17	-	9,629.93
	- Income tax (credit) / charge for the earlier years (net)	7	(279.76)	333.15
	- Deferred tax charge	7	4,372.26	2,234.64
	Total tax expense		**4,092.50**	**12,197.72**
VII.	**Profit for the year (V-VI)**		**9,924.22**	**30,368.74**
VIII.	**Other comprehensive income / (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement gain/(loss) of the defined benefit plans		(258.73)	92.33
	b) Income tax on above	17	65.12	(23.23)
	Total other comprehensive income/(loss) for the year		**(193.61)**	**69.10**
IX.	**Total comprehensive income for the year (VII + VIII)**		**9,730.61**	**30,437.84**
X.	**Earnings per equity share (nominal value of Rs. 10 each)**			
	Basic (in Rs.)	28	1.22	3.89
	Diluted (in Rs.)	28	1.22	3.89

Material accounting policies 2

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757
Place: Bengaluru
Date - 15 May 2024

B S R & Co. LLP KOLKATA Chartered Accountants

For and on behalf of the Board of Directors of
Paradeep Phosphates Limited
CIN: L24129OR1981PLC001020

N. Suresh Krishnan
Managing Director
DIN: 00021965
Place: Bengaluru
Date - 15 May 2024

S.K. Poddar
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15 May 2024

Sachin Patil
Company Secretary
Place: Bengaluru
Date - 15 May 2024

Bijoy Kumar Biswal
Chief Financial Officer
Place: Bengaluru
Date - 15 May 2024

Paradeep Phosphates Ltd. Bhubaneswar

PARADEEP PHOSPHATES LIMITED
Standalone Statement of Cash Flows for the year ended 31 March 2024
(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities		
Profit before tax	14,016.72	42,566.46
Adjustments for		
Depreciation and amortisation expense	21,067.03	17,515.31
Finance costs	32,128.33	25,151.99
Interest income	(625.86)	(986.50)
Profit on sale of current investments	(111.58)	(93.36)
Loss on sale / discard of property,plant and equipment (net)	2,431.13	1,511.90
Loss allowance	797.88	1,239.90
Bad debts, claims and advances written off	33.76	68.73
Unspent liabilities/provision no longer required written back	(3,850.13)	(6,883.44)
Foreign exchange fluctuation loss unrealized (net)	180.32	2,586.92
Operating cash flow before working capital changes	**66,067.60**	**82,677.91**
Changes in working capital		
Decrease in inventories	40,684.77	14,748.72
Decrease/(Increase) in trade receivables	96,429.76	(2,42,375.30)
Increase in financial and other assets	(10,696.24)	(4,033.41)
Decrease in trade payables and other current liabilities	(41,241.60)	(74,426.45)
Decrease in provisions	(1,732.20)	(523.43)
Cash generated from/(used in) operating activities	**1,49,512.09**	**(2,23,931.96)**
Less: Income taxes paid (net of refunds)	(5,836.25)	(13,735.33)
Net cash generated from / (used in) operating activities (A)	**1,43,675.84**	**(2,37,667.29)**
B. Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	38.78	37.73
Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(41,150.29)	(43,618.36)
Purchase of business	-	(53,700.00)
Investments in current investments - mutual funds	(1,26,805.21)	(4,40,021.35)
Proceeds from sale of current investments - mutual funds	1,26,916.82	4,95,150.85
Interest received	372.52	891.16
Investment in deposits with maturity of more than three months	3,941.87	(610.42)
Net cash used in investing activities (B)	**(36,685.54)**	**(41,870.39)**
C. Cash flows from financing activities		
Proceeds from issue of share capital	303.53	97,506.79
Proceeds from non-current borrowings	46,105.98	43,921.48
Repayment of non-current borrowings	(37,308.27)	(18,217.42)
Proceeds from current borrowings	18,45,800.30	14,49,982.82
Repayment of current borrowings	(19,19,803.14)	(13,21,402.61)
Dividend paid	(4,073.70)	-
Repayment of lease liabilities including interest thereon	(286.73)	-
Interest paid	(32,959.90)	(21,734.06)
Net cash (used in) / generated from financing activities (C)	**(1,02,221.93)**	**2,30,057.00**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,768.37**	**(49,480.68)**
Cash and cash equivalents at the beginning of the year	4,303.42	53,784.10
Cash and cash equivalents at the end of the year (refer Note 9(a))	**9,071.79**	**4,303.42**

The cashflow from operating activities in the above standalone statement of cash flows has ben prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No: 055757
Place: Bengaluru
Date:- 15 May 2024

For and on behalf of the Board of Directors of
Paradeep Phosphates Limited
CIN: L24129OR1981PLC001020

N. Suresh Krishnan
Managing Director
DIN: 00021965
Place: Bengaluru
Date:- 15 May 2024

S.K. Poddar
Chairman
DIN: 00008654
Place: Bengaluru
Date:- 15 May 2024

Sachin Patil
Company Secretary
Place: Bengaluru
Date - 15 May 2024

Bijoy Kumar Biswal
Chief Financial Officer
Place: Bengaluru
Date - 15 May 2024

PARADEEP PHOSPHATES LIMITED
Standalone Statement of Changes in Equity for the year ended 31 March 2024
(All amounts are in [illegible] unless otherwise stated)

(a) Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	[illegible]	[illegible]	[illegible]	[illegible]
Shares issued during the year	[illegible]	[illegible]	[illegible]	[illegible]
Balance at the end of the year	**[illegible]**	**81,477.86**	**[illegible]**	**81,449.76**

(b) Other equity

Particulars	As at 31 March 2024				As at 31 March 2023			
	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity	Retained earnings	Securities premium	Share option outstanding reserve	Total other equity
Balance at the beginning of the year	1,95,468.76	73,404.20	197.83	2,69,070.79	[illegible]			[illegible]
Profit for the year	9,924.22		-	9,924.22	[illegible]			[illegible]
Dividend paid	(4,073.70)		-	(4,073.70)				
Premium received on issue of shares during the year	-	135.91		135.91		73,404.20		[illegible]
Equity settled share based payments			185.55	185.55			[illegible]	197.83
Options exercised			(46.03)	(46.03)		-		
Options lapsed	4.07		(4.07)			-		
Other comprehensive income for the year *	[illegible]			(193.61)	69.10			69.10
Total for the year	**5,660.98**	**135.91**	**135.45**	**5,932.34**	**30,437.84**	**73,404.20**	**197.83**	**1,04,039.87**
Balance at the end of the reporting year	**2,01,129.74**	**[illegible]**	**333.28**	**2,75,003.13**	**1,95,468.76**	**73,404.20**	**197.83**	**2,69,070.79**

* Other comprehensive income included under retained earnings represents remeasurement of defined benefit plans (net of tax).

Refer note [illegible] for details on the nature and purpose of the reserve.

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: [illegible]

Jayanta Mukhopadhyay
Partner
Membership No. [illegible]
Place: Bengaluru
Date: 15 May 2024

B S R & Co. LLP
KOLKATA
Chartered Accountants

For and on behalf of the Board of Directors of
Paradeep Phosphates Limited
CIN: L24129OR1981PLC001020

N. Suresh Krishnan
Managing Director
DIN: 00021965
Place: Bengaluru
Date: 15 May 2024

S.K. Poddar
Chairman
DIN: 00008654
Place: Bengaluru
Date: 15 May 2024

Sachin Patil
Company Secretary
Place: Bengaluru
Date: 15 May 2024

Bijay Kumar Biswal
Chief Financial Officer
Place: Bengaluru
Date: 15 May 2024

Paradeep Phosphates Ltd.
Bhubaneswar

PARADEEP PHOSPHATES LIMITED
Notes to the standalone financial statements(continued)

Corporate and General Information
Paradeep Phosphates Limited (the Company) is a public company domiciled and headquartered in Bhubaneswar, India. Zuari Agro Chemicals Limited (ZACL) holds 28.05% of equity shares of Paradeep Phosphates Limited ('the Company') through its joint venture Zuari Maroc Phosphates Private Limited (ZMPPL) and is its largest shareholder alongwith OCP S.A. PPL and ZACL have certain directors in common. It is incorporated under the Companies Act, 1956. The Company is primarily engaged in the manufacture of Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades, and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District Jagatsinghpur, Odisha and at Zuari Nagar, Goa. The Company is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. The Company caters to the demands of farmers all over the country through its 'Navratna' brand of fertilizers. The Company has one associate incorporated in Myanmar under the name of Zuari Yoma Agri Solutions Limited.

1. Basis of preparation
(a) These financial statements are prepared in accordance with Indian Accounting Standards (IND AS), under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values and net defined benefit (asset)/ liability which is measured at at present value of defined benefit obligations less fair value of plan assets, notified under the provisions of the Companies Act 2013 (the Act) to the extent applicable. The Company has prepared these financial statements to comply in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the Act), read with Rule 3 of the Companies (Indian Accounting Standards), Rule, 2015 and relevant amendment rules issued thereafter.

The accounting policies have been consistently applied to all the years except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

(b) These Standalone Financial Statements are presented in Indian Rupees ("Rs."), which is also the Company's functional and presentation currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

2. Material accounting policies

(i) Classification of assets and liabilities into current/non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

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

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

(ii) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, freight, duties, taxes, borrowing costs, if recognition criteria are met, and any directly attributable cost incurred to bring the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Replaced assets held for disposal are stated at lower of their carrying amount and fair value less costs to sell, and depreciation on such assets ceases and shown under "Assets held for sale".

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Expenditure on new projects and substantial expansion
Expenditure directly relating to construction activity is capitalized. Other indirect expenditure incurred during the construction period which are not related to the construction activity nor are incidental thereto are charged to the statement of profit and loss. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

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(iii) Depreciation on property, plant and equipment

a. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the Management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful life to provide depreciation on its property, plant and equipment based on technical evaluation done

Class of Assets	Useful Lives estimated by the management (Years)	Useful Lives as per Schedule II to the Companies Act, 2013 (Years)
Buildings	30/60	30/60
Roads and culverts	3 to 5	3 to 5
Plants and equipments (Continuous process plant)	25	25
Plant and equipments (Non continuous process)	5 to 20	15
Furniture, Fixtures & fittings	2 to 10	10
Vehicles	8	8
Office equipments	3 to 6	3 to 6
Railway siding	15	15

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment. These are estimated by the management supported by independent assessment by professionals

The company has used the following useful life to provide depreciation on its property, plant and equipment relating Goa plant acquired as on 1 June 2022 based on technical evaluation done

Class of Assets	Useful Lives estimated by the management (Years)
Buildings	11 to 43
Plants and equipments	More than 1 and upto 25
Furniture, Fixtures & fittings	More than 1 and upto 10
Vehicles	More than 1 and upto 10
Office equipments	More than 1 and upto 6
Railway siding	3 to 30

b. Premium on land held on leasehold basis considered as Right of Use Asset is amortized over the period of lease

c. The classification of plant and machinery into continuous and non-continuous process is done as per technical certification by the management and depreciation thereon is provided accordingly

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

(iv) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. If the expected useful life of the asset is different from previous estimates, the amortization period is changed accordingly. If there has been a change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors"

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

The following are the acquired intangible assets:
Software
The management of the Company assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of three years on straight line basis

(v) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset (except inventories and deferred tax assets) 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. Value in use is based on the estimated future cash flows, 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 CGU (or the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

(vi) Leases

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
-The contract involves use of an identified asset, whether specified explicitly or implicitly;
-The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
-The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used

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Accounting as a lessee
The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The estimates of useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on straight line basis over the lease term.

(vii) Foreign currency transactions

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Indian Rupee (Rs), which is Company's functional and presentation currency.

(b) Initial recognition

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction.

(c) Conversion

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial recognition.

(d) Exchange differences

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

(viii) Derivative financial instruments
Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

(ix) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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 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.

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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 distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

(x) 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 except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables are measured at transaction price in accordance with Ind AS 115.

Subsequent measurement:

Financial assets being financial instruments:

Subsequent measurement of financial instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial instruments are classified in three categories:

-Financial instruments at amortised cost.
-Financial instruments at fair value through other comprehensive income (FVTOCI);
-Financial instruments at fair value through profit and loss (FVTPL)

Financial instruments at amortised cost:

A financial instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instrument at FVTOCI:

A financial instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent sole payments of principal and interest (SPPI).

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

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Financial instrument at FVTPL:
FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss

Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
-The rights to receive cash flows from the asset have expired, or
-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of Financial Assets:
The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVTOCI financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-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 Company reverts to recognising impairment loss allowance based on 12-month ECL

Financial Liabilities

Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments

Subsequent Measurement:
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 'Financial instruments

Gains or losses on liabilities held for trading are recognised in the profit or loss

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

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

Offsetting 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

(xi) Cash and cash equivalents

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

(xii) Inventories

i. Inventories are valued at the lower of cost and net realizable value

ii. The cost is determined as follows:
(a) Raw Materials, Stores, Spare Parts, Chemical, Fuel Oil and Packing Materials: Weighted average method
(b) Intermediaries: Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
(c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads based on normal operating capacity
(d) Traded goods: Weighted average method

iii. By-products such as treated gypsum are measured at net realizable value, adjusted against the cost of main product

iv. Net realizable value is the estimated selling price including applicable subsidy in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale

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

(xiii) Borrowing cost

Borrowing costs include interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(xiv) Revenue Recognition

The Company earns revenue primarily from sale of fertilizers. The following specific criteria must also be met before revenue is recognised.

Sale of goods

At contract inception, Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods which is usually dispatch/delivery of goods, based on contracts with customers. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note (x) to material accounting policies on Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods 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 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.

Subsidy income

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 DAP, Muriate of Potash (MOP) and Complex Fertilizers are recognized as per rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy and other guidelines issued from time to time, where there is reasonable assurance of complying with the conditions of the policy.

Subsidy on freight charges for DAP, MOP and Complex Fertilizers is recognized based on rates notified by the Government of India with the known policy parameters in this regard and included in subsidy.

(xiv)(a) Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable EIR. Claims receivable on account of interest from dealers on delayed payments are accounted for to the extent the Company is reasonably certain of their ultimate collection.

(xiv)(b) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

(xiv)(c) Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

(xv) Government grants and subsidies

Grants and subsidies [other than subsidy income considered in point (xiv) above] from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(xvi) Employee benefits

Share-based payments

Share-based compensation benefits are provided to employees via PPL Employees Stock Option Plan 2021 ('ESOP 2021'). The fair value of the options granted under ESOP 2021 is recognised as an employee benefits expense in the statement of profit and loss with a corresponding increase in equity. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates for the remaining vesting period of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates in the remaining vesting period, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plan

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

Defined Benefit Plans

i) Liability for Gratuity and Post Retirement Medical Benefits are provided for on the basis of actuarial valuation carried at the end of each financial year. The gratuity plan and post employment medical benefit plan has been funded by policy taken from Life Insurance Corporation of India.

ii) Liability for Provident fund is provided for on the basis of actuarial valuation carried at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year end and the balance of own managed fund is provided for as liability in the books in terms of the provisions under Employee Provident Fund and Miscellaneous Provisions Act, 1952.

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(ii) The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Other long term benefits

Liability for accumulated compensated absences are provided for on the basis of actuarial valuation carried at the end of each financial year. The Company measures the expected cost of accumulated compensated 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 purpose.

(xvii) Income tax

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax 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.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- taxable temporary differences arising on the initial recognition of goodwill.

(xviii) Segment Reporting Policies
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

(xix) Earnings per share
Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

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

(xx) Contingent liabilities
A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable.

(xxi) Provisions
A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

(xxii) Business combinations
The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(xxiii) Goodwill
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(xxiv) Declaration of Dividend
The Company recognises a liability to pay final dividend to equity shareholders 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 final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in the equity.

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Notes to the standalone financial statements(continued)

(xxx) Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1 2023 Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements

The amendments require the disclosure of 'material' rather than 'significant' accounting policies The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements

3A. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods The changes in estimates are made as the management becomes aware of such changes The changes in estimates are recognized in the period in which the estimates are revised

i) Defined benefit plans

The cost of the defined benefit gratuity plan post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations An actuarial valuation involves making various assumptions that may differ from actual developments in the future These include the determination of the discount rate future salary increases and mortality rates Due to the complexities involved in the valuation and its long-term nature a defined benefit obligation is highly sensitive to changes in these assumptions All assumptions are reviewed at each reporting date The parameter most subject to change is the discount rate In determining the appropriate discount rate for defined benefit plans the management considers the interest rates of government bonds The mortality rate is based on publicly available mortality tables Those mortality tables tend to change only at interval in response to demographic changes Future salary increases are based on the expected future inflation rates Further details about the defined benefit obligations are given in Note 32

ii) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation These assumptions are reviewed at each reporting date Refer Note 4(a)

iii) Fair value measurement of financial instruments.

Refer Note 34 for information about fair value measurement

iv) Revenue recognition

The Company provides various rebates and incentives to the customers In estimating the same the Company is required to use either the expected value method or the most likely method The Company determined that the expected value method is the appropriate method for determining estimates to recognize the impact of rebates and other incentives on revenue These estimates are made based on historical experience and business forecast and current market conditions The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value thereof

v) Fair value of assets and liabilities acquired on business combination

Refer Note 44 for information about fair values of assets and liabilities acquired on business combination

vi) Provisions and contingencies

Refer Note 29 for key assumptions about likelihood and magnitude of an outflow of economic resources in relation to recognition and measurement of contingent liabilities

3B Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time For the year ended March 31, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Company

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Notes to the standalone financial statements (continued)
(All amounts are in rupees lakhs, unless otherwise stated)

Note 4(a) : Property, plant and equipment

Reconciliation of carrying amount

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
Balance as at 1 April 2022	39.84	[illegible]	[illegible]	997.60	1,26,210.91	[illegible]	523.49	1,014.80	816.84	1,70,[illegible]
Additions during the year	-		49.23	9.77	22,341.37	41.[illegible]	241.74	233.20	[illegible]	23,144.36
Adjustment on account of business acquisition (refer Note 44(a))	-	[illegible]	[illegible]	-	96,325.23	63.[illegible]	2[illegible]	379.46	1,687.[illegible]	1,46,[illegible]
Disposals/ discard during the year	-	-		-	2,0[illegible]	9.33	[illegible]	14.37	[illegible]	2,174.24
Adjustment (refer note 4 below)	-				2,348.81	-		-	-	2,348.81
Balance as at 31 March 2023	**39.84**	**43,824.90**	**45,087.77**	**1,007.37**	**2,45,164.33**	**508.96**	**868.93**	**1,612.99**	**2,731.35**	**3,40,846.44**
Balance as at 1 April 2023	39.84	43,824.90	45,087.77	[illegible]	2,45,164.33	508.96	868.93	[illegible]	2,731.35	3,40,846.44
Additions during the year	-	275.49	9,600.23	998.85	[illegible]9,582.61	36.98	943.65	[illegible]		71,669.72
Disposals/ discard during the year	-	-	-	-	3,409.78	1.55	97.69	[illegible]	50.81	3,595.64
Adjustment (refer note 4 below)	-	-		-	7,349.74	-		-		7,349.74
Balance as at 31 March 2024	**39.84**	**44,100.39**	**54,688.00**	**2,006.22**	**3,08,686.90**	**544.39**	**1,714.89**	**1,809.09**	**2,680.54**	**4,16,270.26**

	Leasehold land	Freehold land *	Buildings	Roads and culverts	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Railway siding	Total (A)
Accumulated depreciation										
Balance as at 1 April 2022	3.26	-	[illegible]	299.40	37,336.58	[illegible]	[illegible]	591.76	174.72	44,[illegible]
Charge for the year	0.44		[illegible]	148.16	14,999.34	[illegible]	124.50	276.73	122.48	17,310.[illegible]
Deductions	-	-	-	-	564.48	[illegible]	42.27	10.62		[illegible]
Balance as at 31 March 2023	**3.70**	**-**	**7,300.75**	**447.56**	**51,771.54**	**316.05**	**280.76**	**857.87**	**297.20**	**61,275.43**
Balance as at 1 April 2023	3.70		7,300.75	447.56	51,771.54	[illegible]	280.76	857.87	297.20	61,275.43
Charge for the year	0.44		[illegible]	251.97	18,072.74	41.[illegible]	190.03	290.47	150.[illegible]	20,[illegible]
Deductions	-	-		-	1,047.51	[illegible]	41.62	29.57	[illegible]	1,125.[illegible]
Balance as at 31 March 2024	**4.14**	**-**	**9,105.76**	**699.53**	**68,796.77**	**350.10**	**429.17**	**1,118.77**	**442.13**	**80,952.37**
Net Carrying amount										
Balance as at 31 March 2024	**35.70**	**44,100.39**	**45,582.24**	**1,306.69**	**2,39,890.13**	**188.29**	**1,285.72**	**690.32**	**2,238.41**	**3,35,317.89**
Balance as at 31 March 2023	36.14	43,824.90	37,787.02	559.81	1,93,392.79	192.91	588.17	755.12	2,434.15	2,79,571.01

* Company is in the process of executing conveyance deed [illegible] for land measuring 178.16 acres amounting to Rs 27.94 lakhs

Item of Balance Sheet	Description of Item	Gross Carrying Value	Title deed in favour of	If in the name of director etc	Property held since	Reason of not being held in the name of the company
Property, Plant and equipment	Freehold land	27.94	NA	NA	1982-85	Delay on account of administrative formalities

1) Refer Note [illegible] and [illegible] relating to borrowings in respect of property, plant and equipment provided as security against those borrowings
2) Refer Note [illegible] for disclosure of contractual commitments for the acquisition of property, plant and equipment
3) Capitalised [illegible] borrowing costs relates to funds borrowed both specifically and generally to acquire [illegible] qualifying assets. The capitalisation rate relating to general borrowings [illegible] 31 March 2023: 7.88%)
4) Adjustment [illegible] on account of borrowing costs

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Notes to the standalone financial statements(continued)

(All amounts are in rupees lakhs, unless otherwise stated)

4(b) Capital work-in-progress

	As at 31 March 2024	As at 31 March 2023
Opening balance	69,686.32	[illegible]
Add: Additions during the year	45,264.86	[illegible]
Adjustment on account of business acquisition (refer Note 46(i))	-	[illegible]
Less: Capitalised during the year	77,731.90	[illegible]
Closing balance	37,219.28	69,686.32

Closing balance includes the direct capital expenditure (pending allocation) Rs. 2,022.52 (31 March 2023: Rs. [illegible])

CWIP Ageing Schedule

As at 31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	[illegible]	13,645.34	747.93	[illegible]	37,219.28
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	49,585.23	[illegible]	[illegible]	2,986.70	69,686.32
Projects temporarily suspended	-	-	-	-	-

Details of projects forming part of CWIP and which have become overdue compared to their original plans or where cost is exceeded compared to original plans

As at 31 March 2024 (Amount in Rs Lakhs)

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
Sulphuric acid plant	15,854.97			
MRSS	1,492.79	-	-	-

As at 31 March 2023 (Amount in Rs Lakhs)

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years
6th Evaporator at Phosphoric acid plant	[illegible]			
Phosphoric acid plant expansion	[illegible]	-	-	
Sulphuric acid plant	-	12,137.28	-	-

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Notes to the standalone financial statements(continued)

(All amounts are in rupees lakhs, unless otherwise stated)

4(c) Right-of-use assets

Particulars	Right of use Building	Right of use Land	Total Right of use assets
As at 01.04.2022	-	-	-
Adjustment on account of business acquisition (refer Note 44(a))	112.61	1,384.83	1,497.44
Additions	112.44	125.11	237.55
As at 31.03.2023	225.05	1,509.94	1,734.99
Additions	383.90	-	383.90
As at 31.03.2024	608.95	1,509.94	2,118.89
Depreciation			
As at 01.04.2022	-		-
Charge for the year	18.06	97.66	115.72
As at 31.03.2023	18.06	97.66	115.72
Charge for the year	95.70	116.94	212.64
As at 31.03.2024	113.76	214.60	328.36
Net block			
As at 31.03.2024	495.19	1,295.34	1,790.53
As at 31.03.2023	206.99	1,412.28	1,619.27

4(d) Intangible assets

	31 March 2024	31 March 2023
	Computer Software	Computer Software
Gross block		
Balance as at beginning of the year	606.25	525.88
Additions during the year	58.37	4.24
Adjustment on account of business acquisition (refer Note 44(a))	-	76.13
Balance as at end of the year	**664.62**	**606.25**
Amortisation		
Balance as at beginning of the year	428.41	339.65
Amortisation for the year	51.71	88.76
Balance as at end of the year	**480.12**	**428.41**
Net carrying amount as at end of the year	184.50	177.84

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Notes to the standalone financial statements(continued)
(All amounts are in rupees lakhs, unless otherwise stated)

Note 5 : Investment in associate

	As at 31 March 2024	As at 31 March 2023
Investment in associate		
Unquoted investment in equity share at cost 312 500 (31 March 2023: 312 500) ordinary shares of USD 1 each fully paid up of Zuari Vedic Agri Solutions Limited	365.61	365.61
Net investment in associate	**365.61**	**365.61**
Aggregate value of unquoted investment	**365.61**	**365.61**
Aggregate amount of impairment in value of investment	-	-

Note 6: Other Non Current Assets and Current Assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties (refer Note 33)	1,191.35	-	1,124.19	
Others	1,412.62		3,754.15	
Advance to vendors:				
Related parties (refer Note 33)		1.34	-	150.53
Others		1,763.63	-	2,850.22
Less: Loss allowance		(32.00)	-	(32.00)
Claims receivable	218.28	5,510.96	218.28	2,902.37
Less: Loss allowance	(11.50)	-	(218.28)	
Balance with statutory / government authorities		45,198.23		52,482.32
Prepaid expenses	-	2,290.41	7.16	2,218.14
Sales tax & entry tax deposits	8.01	3,156.53	8.01	3,050.98
Less: Loss allowance	(8.01)	-	(8.01)	
Other deposits				
Related parties (refer Note 33)	60.00		89.32	-
Others*	957.71	425.12	925.22	425.80
Total other assets	**3,828.56**	**58,314.22**	**5,900.04**	**64,048.36**

* Includes primarily deposits with vendors / service providers etc

Note 7: Inventories
(Valued at the lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials	93,696.43	1,05,702.78
Finished goods	50,188.02	80,537.48
Traded goods	2,672.09	2,708.37
Intermediates (work in progress)	10,243.76	9,373.92
Stores, spare parts, chemical and locked	10,959.62	11,595.81
Packing materials	934.77	647.67
By-Products	14,308.26	13,201.69
Total inventories	**1,83,002.95**	**2,23,767.72**

Note:
a) Inventories are pledged against the borrowings as further explained in Note 11(a) and 14(c)
b) The cost of inventories recognised as expense includes Rs 3,102.54 (31 March 2023: Rs 2,721.52) in respect of write down of inventories to net realisable value
c) Inventories includes inventories in transit as at the balance sheet date as under

	As at 31 March 2024	As at 31 March 2023
Raw materials	48,136.02	44,355.69
Finished goods	4,658.58	22,698.02
Traded goods	29.77	-
Stores and spare parts	718.36	1,719.00
Total inventories in transit	**53,542.73**	**68,772.71**

PARADEEP PHOSPHATES LIMITED
Notes to the standalone financial statements(continued)
(All amounts are in rupees lakhs, unless otherwise stated)
Note 8: Trade receivables

	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - secured	5 358.33	4 922.03
Trade receivables - unsecured*	2 62 529.17	3 54 630.88
From related parties (refer Note 33)		
Trade receivables considered good - unsecured	10 529.56	15 171.71
Total trade receivables	2 78 417.06	3 74 724.62
Less: Loss allowance	(6 369.13)	(5 750.87)
Net trade receivables (refer note 'a' below)	**2,72,047.93**	**3,68,973.75**

Trade receivables are carried at amortised cost which are a reasonable approximation of their fair value

*** Trade receivables - unsecured**

	As at 31 March 2024	As at 31 March 2023
Trade receivable considered good	2 59 116.79	3 51 178.01
Trade receivables - which have significant increase in credit risk	3 412.38	3 452.87
Total trade receivables unsecured	**2,62,529.17**	**3,54,630.88**

a) Includes subsidy receivable from the Government of India amounting to Rs 190 560.66 (31 March 2023: Rs 306 037.59)
b) Trade receivables are pledged against the borrowings obtained by the Company as further explained in Note 14(a) and 14(c)
c) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
d) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. For any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member
e) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35

Trade Receivable ageing schedule:
As at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered good	1 85 197.73	40 559.51	34 773.04	762.49	314.29	8 038.06	2 69 645.16
(ii) Undisputed Trade receivables - which have significant increase in credit risk		-	-				
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good		-				5 359.52	5 359.52
(v) Disputed Trade receivables - which have significant increase in credit risk				210.11	609.91	2 592.36	3 412.38
(vi) Disputed Trade receivables - credit impaired							
Gross trade receivable							**2,78,417.06**

As at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables - considered good	2 93 117.22	59 231.82	1 596.19	2 401.62	1 327.54	8 037.84	3 65 912.23
(ii) Undisputed Trade receivables - which have significant increase in credit risk							
(iii) Undisputed Trade receivables - credit impaired							
(iv) Disputed Trade receivables - considered good						5 359.52	5 359.52
(v) Disputed Trade receivables - which have significant increase in credit risk		-		902.72	165.43	2 384.72	3 452.87
(vi) Disputed Trade receivables - credit impaired							
Gross trade receivable							**3,74,724.62**

Note 9(a): Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks		
On current accounts	89.60	23.46
On cash credit accounts	8 982.05	4 279.76
Cash on hand	0.14	0.20
Total cash and cash equivalents	**9,071.79**	**4,303.42**

Note 9(b): Bank balances other than above

	As at 31 March 2024	As at 31 March 2023
Deposits with banks with original maturity of more than three months and less than twelve months*	2 708.76	6 681.98
ESOP accounts	19.71	-
Unpaid dividend accounts	2.10	
Total bank balances other than above	**2,730.57**	**6,681.98**

Bank balances other than above are carried at amortised cost which are a reasonable approximation of their fair value

*Pledged with Executive Engineer, Mahanadi South Division as security deposit Rs 199.96 (31 March 2023: Rs 185.55), against bank guarantee issued in favour of Regional Director, ESI Corporation, Bhubaneswar Rs 5.51 (31 March 2023: Rs 5.51); cash margin fixed deposit issued against repayment of long term loan Rs 2 503.29 (31 March 2023:Rs 6 490.92)

Note 10: Other financial assets
(Unsecured, considered good unless otherwise stated)

	As at 31 March 2024: Non-current	As at 31 March 2024: Current	As at 31 March 2023: Non-current	As at 31 March 2023: Current
Derivative instruments at fair value through profit or loss				
Derivatives not designated as hedges			-	
Foreign-exchange forward contracts		210.31		
Other financial asset at amortised cost*				
Claims receivable				
Related parties (refer Note 33)		47 632.56	-	32 556.51
Others	209.79	791.82	209.79	31.40
Less: Loss allowance	(209.79)		(209.79)	
Interest receivable on deposits, receivables, etc				
Related parties (refer Note 33)		318.34		55.63
Others		61.68	-	71.05
Receivables from Gas pool operator	-	1 348.16	-	961.03
Other receivable				
Related parties (refer Note 33)		35.19		12.65
Total other financial assets	-	**50,419.05**	-	**33,718.27**

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value

Note 11: Assets classified as held for sale

	As at 31 March 2024	As at 31 March 2023
Discarded property, plant and equipment	33.36	33.36
Total assets classified as held for sale	**33.36**	**33.36**

Assets held for sale represent property, plant and equipment discarded. The Company expects to dispose it off in next one year

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Note 12: Equity share capital

(a) Details of authorised, issued, subscribed and fully paid up share capital:

	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
900,000,000 (31 March 2023: 900,000,000) equity shares of Rs 10 each (31 March 2023: Rs 10 each)	90,000.00	90,000.00
10,000,000 (31 March 2023: 10,000,000) 7% Non cumulative Redeemable preference shares of Rs 100/- each (31 March 2023 Rs 100 each)	10,000.00	10,000.00
Total authorised share capital	**1,00,000.00**	**1,00,000.00**
Issued, subscribed and fully paid up shares		
814,778,646 (31 March 2023: 814,497,619) equity shares of Rs 10 (31 March 2023: Rs 10 each) fully paid	81,477.86	81,449.76
Total equity share capital	**81,477.86**	**81,449.76**

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2024		As at 31 March 2023	
	Number of equity shares	Amount	Number of equity shares	Amount
Balance at the beginning of the year	81,44,97,619	81,449.76	57,54,50,000	57,545.00
Changes during the year	2,81,027	28.10	23,90,47,619	23,904.76
Balance at the end of the year	81,47,78,646	81,477.86	81,44,97,619	81,449.76

(c) Terms/ rights attached to equity shares:

1) The Company has only one class of equity share having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the respective shareholders.

(d) Shares held by holding company are as below:

	As at 31 March 2024		As at 31 March 2023	
	Number of equity shares	Amount	Number of equity shares	Amount
Name of shareholder				
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as Zuari Maroc Phosphates Limited (ZMPL))	45,69,42,507	45,694.25	45,69,42,507	45,694.25

(e) Details of equity shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.08%	45,69,42,507	56.10%
SBI Multicap Fund	6,82,95,622	8.38%	4,76,68,663	5.85%

(f) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

(g) As per records of the company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(h) Stock option schemes

Information relating to Employee Stock Option Plan including details of options granted and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 42(a).

(i) Details of shareholding of promoters:

Name of equity shareholder	As at 31 March 2024		Reduction of shareholding	As at 31 March 2023	
	Number of equity shares	% of total shares in the class	% of change	Number of equity shares	% of total shares in the class
Zuari Maroc Phosphates Private Limited (ZMPPL), the holding company (erstwhile known as ZMPL)	45,69,42,507	56.08%	0.02%	45,69,42,507	56.10%

Note 13: Other equity

	As at 31 March 2024	As at 31 March 2023
Retained earnings Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/ loss of defined benefit plans	2,01,129.74	1,95,468.76
Securities premium - Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013	73,540.11	73,401.20
Share option outstanding reserve - This reserve relates to stock options granted by the company to eligible employees under PPL Employees Stock Option Plan 2021 ("ESOP 2021"). This reserve is transferred to securities premium or retained earnings on exercise or cancellations of vested options	333.28	197.83
Total other equity	**2,75,003.13**	**2,69,070.79**

Refer standalone statement of changes in equity for movement during the year.

Proposed dividend on equity shares not recognised as liability *

	As at 31 March 2024	As at 31 March 2023
Proposed final dividend	**4,073.89**	**4,072.49**

The Board of Directors has recommended a dividend of 5% i.e. Rs 0.50 per equity share of Rs. 10 each fully paid up.

* Proposed dividend on equity shares is subject to approval of shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

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Note 14(a): Non-Current Borrowings

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current Maturities	Non-current	Current Maturities
Secured				
Rupee term loan from banks	67,650.58	38,228.94	61,188.77	33,893.02
Amount of current maturities disclosed under the head "current borrowings" (refer note 14(c))		(38,228.94)		(33,893.02)
Total non-current borrowings	67,650.58	-	61,188.77	-

Non-Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value

Terms and conditions including nature of securities and terms of repayment of each loan and interest rate

Particulars of loan	Security	Terms of repayment	Period / Year end	Effective interest rate
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets	Repayable in 20 quarterly instalments commenced from [illegible] December 2018, of which first 9 quarterly instalments are of Rs 500.00, next [illegible] quarterly instalments of Rs [illegible] and remaining 8 quarterly instalments of Rs [illegible]	31 March 2024 31 March 2023	 [illegible]
Rupee term loan from- Bank of Baroda	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets	Repayable in 16 quarterly instalments of Rs 1337.50 commenced from 30 September 2022	31 March 2024 31 March 2023	10.43% 7.75%
Rupee term loan from- Axis Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties and second pari passu with the charges created in respect of current assets	Repayable in 6 quarterly instalments of Rs 2698.00 [illegible] instalment of Rs 28[illegible] commenced from [illegible] April 2023	31 March 2024 31 March 2023	[illegible] [illegible]
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of immovable properties and movable properties	Repayable in 16 quarterly instalments of Rs 937.5[illegible] commenced from 31 March 2023	31 March 2024 31 March 2023	10.05% 10.35%
Rupee term loan from- RBL Bank	First pari passu with the mortgages and charges created in respect of movable properties	Repayable in 10 quarterly instalments of Rs 1500.00 commenced from 30 March 2022	31 March 2024 31 March 2023	9.05% 8.75%
Rupee term loan from- SBI	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets	Repayable in 20 quarterly instalments of Rs 850.00 commenced from 1 October 2023	31 March 2024 31 March 2023	9.10% [illegible]
Rupee term loan from- HDFC	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets	Repayable in 20 quarterly instalments of Rs [illegible]93.15 commenced from September 2022	31 March 2024 31 March 2023	[illegible] 9.00%
Rupee term loan from [illegible] Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets	Repayable in 20 quarterly instalments of Rs 597.16 commenced from 1 December 2022	31 March 2024 31 March 2023	9.65% 8.85%
Rupee term loan from Canara Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets	Repayable in 20 quarterly instalments of Rs 1640.00 commencing from 1 January 2025	31 March 2024 31 March 2023	9.70% 8.90%
Rupee term loan from- IndusInd Bank	First pari passu with the mortgages and charges created in respect of fixed assets and second paripassu with charge on entire current assets	Repayable in 16 quarterly instalments commencing from 31 December 2025 of which first 4 quarterly instalments are of Rs [illegible]33.25, next 8 quarterly instalments of Rs [illegible] and remaining 4 quarterly instalments of Rs 833.25	31 March 2024 31 March 2023	[illegible]
Rupee term loan from- ICICI Bank	First pari passu with the mortgages and charges created in respect of movable properties and immovable properties	Repayable in 12 quarterly instalments of Rs 2083.33 commencing from 30 June 2024	31 March 2024 31 March 2023	9.05%

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Note 14(b): Lease Liabilities

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Lease Liabilities*	1,722.29	210.89	1,603.78	77.32
Total non-current borrowings	**1,722.29**	**210.89**	**1,603.78**	**77.32**

* Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 March 2024	As at 31 March 2023
Opening	1,681.10	-
Adjustment on account of business acquisition (refer Note 44(a))		1,444.10
Additions	383.90	285.79
Accretion of interest	154.91	98.16
Payments	(286.73)	(146.95)
Closing	**1,933.18**	**1,681.10**

The effective interest rate for lease liabilities is 8.50%, with maturity between 2023-2048

Maturity profile of lease liability

Ageing	Total rent payments	Interest payment	Net Amount
Less than 1 year	304.47	142.65	161.82
1-3 years	615.72	248.34	367.38
3-5 years	551.67	183.94	367.73
> 5 years	1,826.60	790.35	1,036.25
Total	**3,298.46**	**1,365.28**	**1,933.18**

Note 14(c): Current Borrowings

	As at 31 March 2024	As at 31 March 2023
From banks:		
Secured		
Other loans		
Working capital demand loan	59,400.00	80,016.30
Buyer's credit	31,785.61	1,24,943.60
Supplier's credit	1,19,914.89	1,33,900.61
Local bills discounted with bank	82,157.52	19,981.32
Other loans from bank	-	6,250.00
Current maturity of non-current borrowings	38,228.94	35,893.02
Unsecured		
Other loans from bank	-	936.68
Total current borrowings	**3,31,786.96**	**4,01,921.53**

Current Borrowings are carried at amortised cost which are a reasonable approximation of their fair value

Terms and conditions including nature of securities and terms of repayment of each loan and interest rate:

Particulars of loan	Security	Terms of repayment	Period	Principal Amount	Effective interest rate
Working capital demand loan (WCDL) (secured)	First charge by way of hypothecation on all current assets and second charge on all immovable & movable properties of the Company (other than certain current assets hypothecated / pledged in favour of banks by way of first charge) both present and future on pari-passu basis	Repayable over a period of 7 to 91 days	31 March 2024	59,400.00	7.38% to 10.56%
			31 March 2023	80,016.30	8.24%
Supplier's credit(secured)/buyer's credit (secured)		Repayable over a period of 30 to 180 days	31 March 2024	1,51,700.50	6 month SOFR plus 0.15% to 0.75%
			31 March 2023	2,58,844.21	6 month LIBOR /SOFR plus 0.25% to 0.75%
Local Bills discounted with bank (secured)		Repayable over a period of 91 to 180 days	31 March 2024	82,157.52	7.35% to 8.30%
			31 March 2023	19,981.32	8.23%
Others loans (secured)	The loan is secured against 100% fixed deposit	Repayable over a period of 90 to 180 days	31 March 2024	-	-
			31 March 2023	6,250.00	7.35%
Others Loans (unsecured)	Unsecured	Repayable on demand	31 March 2024	-	-
			31 March 2023	936.68	7.51%

Details of securities as reported in the books vis-a-vis quarterly return:

Particulars of securities	Name of the bank	Quarter	Amount as per books of accounts	Amount as reported in the quarterly return	Amount of difference	Reason of material difference
Inventory	State Bank of India	Jun-23	2,85,246.24	2,85,246.24		There is no difference in inventory, receivables and other assets
Receivables			3,90,757.97	3,90,757.97	-	
Other Current Assets			1,15,264.92	1,15,264.92	-	
Total			7,91,269.12	7,91,269.12	-	
Inventory	State Bank of India	Sep-23	1,92,557.91	1,92,557.91	-	
Receivables			2,64,219.87	2,64,219.87	-	
Other Current Assets			1,22,033.22	1,22,033.22		
Total			5,78,811.00	5,78,811.00	-	
Inventory	State Bank of India	Dec-23	1,85,913.06	1,85,913.06		
Receivables			2,97,041.52	2,97,041.52		
Other Current Assets			1,11,314.66	1,11,314.66		
Total			5,94,270.24	5,94,270.24		

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Note 15: Other financial liabilities

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign-exchange forward contracts	-	-	-	1,628.93
Total financial liabilities at fair value through profit or loss			-	1,628.93
Other financial liabilities at amortised cost*				
Earnest money/Security deposits				
Others		13,334.09		12,804.58
Employee related dues	-	5,050.07	180.42	3,886.71
Creditors for property, plant and equipments (including retention money from contractors/suppliers)				
Others		2,026.72	-	1,764.38
Unpaid dividend		2.10		
Interest accrued but not due on borrowings	-	2,042.45		2,483.62
Payable against business acquisition (refer Note 33)				1,434.89
Total other financial liabilities at amortised cost	-	**22,455.43**	**180.42**	**22,374.18**
Total other financial liabilities	-	**22,455.43**	**180.42**	**24,003.11**

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value

Note 16: Provisions

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provision for employee benefits* (refer Note 32)				
Post retirement medical benefits	76.41	5.94	143.29	31.15
Gratuity	938.34	179.66	465.99	72.09
Leave salary		5,024.74	-	5,269.33
Other provisions (refer Note 'a' below)				
Contractors	1,606.65		1,769.93	
Others				
- Capital expenditure		129.36	-	250.18
- Others	-	1,945.20		3,397.81
Total provisions	**2,621.40**	**7,284.90**	**2,379.21**	**9,020.56**

* The classification of current/non current for provision for employee benefits has been determined by the actuary of the Company, based upon estimated amount of cash outflow during the next 12 months from the balance sheet date

Note a: The movement for "Other provisions" during the year is as follows:
Movement of provisions during the year as required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Asset

Capital expenditure

	As at 31 March 2024			As at 31 March 2023		
	Capital Expenditure **	Contractors	Others **	Capital Expenditure **	Contractors	Others **
Opening balance	250.18	1,769.93	3,397.81	250.18	951.78	3,207.96
Adjustment on account of business acquisition (refer Note 41)					829.24	
Provision made during the year		-	67.27	-	(11.09)	189.85
Provisions adjusted during the year	(120.82)	(163.28)	(1,519.88)			
	129.36	**1,606.65**	**1,945.20**	**250.18**	**1,769.93**	**3,397.81**

**** Closing balance includes the following provisions**

	As at 31 March 2024		As at 31 March 2023	
	Capital Expenditure	Others	Capital Expenditure	Others
Ground rent (refer note i below)	-	1,417.37		2,876.70
Land compensation (including interest) (refer note ii below)	129.36	-	250.18	-
Employees' state insurance (refer note iii below)		234.39		227.67
Provision for others (freight claims)		293.44	-	293.44
	129.36	**1,945.20**	**250.18**	**3,397.81**

i The Land Policy of Port land has been revised as per the Land Policy Guidelines issued by the Ministry of Shipping, Government of India. Pursuant to the said policy and pending outcome of negotiation with Paradeep Port Trust, the Company has made provision towards ground rent, interest and taxes amounting to Rs 1,417.37 (31 March 2023: Rs 2,876.70) against the demand raised by Paradeep Port Trust

ii In terms of meeting for amicable settlement of dispute the additional compensation to the land losers, under the chairmanship of the Collector and District Magistrate, Jagatsinghpur, it was decided to pay additional compensation at the rate fixed to the claimants through the Special Land Acquisition Officer (Spl. LAO), Government of Odisha. Since the disbursement process to land losers had started in the financial year 2010-11 through Spl. LAO, the Company had accounted for total estimated liability of Rs 566.01 (including interest of Rs 418.01) during the financial year 2010-11. The outstanding liability as on 31 March 2024 stands at Rs 129.36 (31 March 2023: Rs 250.18) after making payment to Spl. LAO

iii Employees State Insurance Corporation (ESIC) raised various demands against the Company in respect of both contract labourers and employees in earlier years, which were contested by the Company in various Courts and Authorities. The Company is continuing with the provision existing in the books as on 31 March 2024 as Rs 234.39 (31 March 2023: Rs 227.67)

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Note 17: Income Tax

A. Amount recognised in the profit or loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax expense :		
Current year	-	9,629.93
Income tax for earlier years	(279.76)	333.15
Deferred tax charge / (credit):		
Relating to origination and reversal of temporary differences	4,372.26	2,234.64
Total tax expense	**4,092.50**	**12,197.72**

B. Amount recognised in the Other Comprehensive Income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax charge / (credit) to remeasurement of defined benefit liability	(65.12)	23.23

C. Reconciliation of effective tax rate

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before income tax from continuing operations	14,016.72	42,566.46
Profit before income tax	**14,016.72**	**42,566.46**
At India's statutory income tax rate of 25.168%	3,527.73	10,713.13
Tax effects of amount which are not deductible / (taxable) in calculating taxable income -		
CSR expenditure	260.66	189.85
Interest under Section 234B/234C	(9.99)	29.56
Impact of capitalisation on carrying value of assets	535.59	141.97
On stamp duty	-	772.63
Others	58.27	17.43
Effective tax charge	**4,372.26**	**11,864.57**
Add: Tax impact for earlier years	(279.76)	333.15
Tax expenses as per the Statement of Profit and Loss	**4,092.50**	**12,197.72**

D. Movement in Deferred tax balances

	Balance as at 1 April 2023	Recognised in profit or loss	Recognised in OCI	Balance as at 31 March 2024
Deferred tax liabilities				
Property, plant and equipment (including intangible assets)	16,231.63	4,203.91	-	20,435.54
On account of statutory dues	650.34	(0.06)	-	650.28
Total deferred income tax liabilities	**16,881.97**	**4,203.85**	-	**21,085.82**
Deferred tax assets				
Effect of loss allowance	1,565.31	103.44	-	1,668.75
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,814.56	95.51	65.12	3,975.19
Provison for other liabilities	724.08	(367.36)	-	356.72
Total deferred income tax assets	**6,103.95**	**(168.41)**	**65.12**	**6,000.66**
Net deferred tax liabilities / (assets)	**10,778.02**	**4,372.26**	**(65.12)**	**15,085.16**

	Balance as at 1 April 2022	Recognised in profit or loss	Recognised in OCI	On account of business acquistion	Balance as at 31 March 2023
Deferred tax liabilities					
Property, plant and equipment (including intangible assets)	14,110.91	2,120.72	-	-	16,231.63
On account of statutory dues	641.47	8.87	-	-	650.34
Total deferred income tax liabilities	**14,752.38**	**2,129.59**	-	-	**16,881.97**
Deferred tax assets					
Effect of loss allowance	1,254.25	231.04	-	80.02	1,565.31
Expenses allowable under income tax on payment basis under Section 43B of the Income-tax Act, 1961	3,602.07	(382.22)	(23.23)	617.94	3,814.56
Provision for other liabilities	677.95	46.13	-	-	724.08
MAT credit entitlement	-	-	-		-
Total deferred income tax assets	**5,534.27**	**(105.05)**	**(23.23)**	**697.96**	**6,103.95**
Net deferred tax liabilities / (assets)	**9,218.11**	**2,234.64**	**23.23**	**(697.96)**	**10,778.02**

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(All amounts are in rupees lakhs, unless otherwise stated)

Note 18: Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	929.88	667.47
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer Note 33)	58,620.73	76,914.70
- Others	89,261.12	1,13,665.50
	1,48,811.73	**1,91,247.67**

Trade payables are carried at amortised cost which are a reasonable approximation of their fair value
Trade payables include acceptances from related parties and others amounting to Rs 54,114.86 and Rs 54,276.87 (31 March 2023: Rs 73,453.96 and Rs 71,306.69) respectively

Note:
Trade payables and acceptances are non-interest bearing and are normally settled on 30 to 180 day terms
The amount due to Micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such suppliers have been identified on the basis of information available with the Company. The details are as under:

	As at 31 March 2024	As at 31 March 2023
(i) the principal amount remaining unpaid at the end of financial year	929.88	667.47
interest due thereon remaining unpaid to any supplier as at the end of financial year	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of the year	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Trade payable ageing schedule
As at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	929.88	-	-	-	929.88
(ii) Others	20,957.39	1,02,463.87	3,575.10	1,293.57	189.51	1,28,479.43
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	19,402.42	-	-	-	-	19,402.42
Total	**40,359.79**	**1,03,393.75**	**3,575.10**	**1,293.57**	**189.51**	**1,48,811.73**

As at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	-	667.47	-	-	-	667.47
(ii) Others	4,273.43	1,68,499.93	1,572.19	196.01	701.74	1,75,243.30
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled dues	15,336.90	-	-	-	-	15,336.90
Total	**19,610.34**	**1,69,167.40**	**1,572.19**	**196.01**	**701.74**	**1,91,247.67**

Note 19: Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Rebate liabilities	3,899.49	2,455.00
Interest on statutory dues	-	89.13
Statutory dues	7,155.30	7,891.53
Advance from customers	965.64	1,118.84
	12,020.43	**11,554.50**

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Notes to the standalone financial statements(continued)
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Note 20: Revenue from operations

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	5,64,331.03	4,76,987.91
Subsidy from the Government of India on fertilizers (refer note (c) below)	5,91,975.29	8,56,302.14
Other operating revenues - Scrap sales	1,205.66	782.14
Revenue from operations *	**11,57,511.98**	**13,34,072.19**

* Revenue is net of rebates, discounts and goods and service tax

(a) Reconciliation of revenue recognised with contract price:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	11,84,093.47	13,45,229.04
Adjustment for:		
Variable considerations - rebates	(26,581.49)	(11,156.85)
Revenue from operations	**11,57,511.98**	**13,34,072.19**

(b) Contract balances

	As at 31 March 2024	As at 31 March 2023
Trade receivables	2,72,047.93	3,68,973.75
Contract liabilities - advance from customers	965.64	1,118.84

The contract liabilities convert to revenue within one year from the reporting date

(c) Subsidy from Government of India on fertilizers:

	For the year ended 31 March 2024	For the year ended 31 March 2023
On finished goods [including freight subsidy Rs 38,385.45 (31 March 2023: Rs 30,624.72)]	5,44,844.77	8,27,811.98
On traded goods [including freight subsidy Rs 3,810.48 (31 March 2023: Rs 1,070.68)]	47,130.52	28,490.16
	5,91,975.29	**8,56,302.14**

Note 21: Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on:		
Bank deposits*	264.80	625.39
Income tax refund	-	39.02
Others*	361.06	361.11
Rent income	291.22	304.13
Loss allowance written back	335.58	474.91
Excess provision/unclaimed balances written back	3,514.55	6,408.08
Profit on sale of current investments	111.58	93.36
Miscellaneous income	2,004.72	801.00
	6,883.51	**9,107.00**

* Interest income calculated using effective interest method in relation to financial assets carried at amortised cost

Note 22: Cost of raw materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory at the beginning of the year	1,05,702.78	1,37,959.00
Add: Purchases	7,54,000.03	10,26,826.47
Add: Adjustment on account of buiness acquisition (refer Note 44(a))	-	3,209.19
Less: Inventory at the end of the year	(93,696.43)	(1,05,702.78)
Less: Traded goods transferred from raw materials	(8,303.94)	(19,207.63)
Add: Traded goods transferred to raw materials	3,201.40	885.27
Cost of raw materials consumed	**7,60,903.84**	**10,43,969.52**

Note 23: Changes in inventories of finished goods, stock-in-trade and work in progress

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
- Finished goods	80,537.48	24,941.42
- Intermediates (work in progress)	9,373.92	10,991.95
- By-Products	13,201.69	13,183.92
- Traded goods (stock in trade)	2,708.37	35,650.63
Total (A)	**1,05,821.46**	**84,767.92**
Add:- Adjustment on account of business acquisition (refer Note 44(a))		
- Finished goods	-	1,742.67
- Intermediates (work in progress)	-	45.39
- Traded goods (stock in trade)	-	65.39
Total (B)	-	**1,853.45**
Less: Closing stock		
- Finished goods	50,188.02	80,537.48
- Intermediates (work in progress)	10,243.76	9,373.92
- By-Products	14,388.26	13,201.69
- Traded goods (stock in trade)	2,672.09	2,708.37
Total (C)	**77,492.13**	**1,05,821.46**
Traded goods transferred from raw materials	**(8,303.94)**	**(19,207.63)**
Traded goods transferred to raw materials	**3,201.40**	**885.27**
Total (D)	**(5,102.54)**	**(18,322.36)**
(Increase)/ decrease in inventories of finished goods, stock-in trade and work-in-progress (A+B-C-D)	**33,431.87**	**(877.73)**

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(All amounts are in rupees lakhs, unless otherwise stated)

Note 24: Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	18 404 84	17,091 03
Contribution to provident and other funds	1,375 70	1 256 38
Expenses related to post employment defined benefit plan (refer Note 32)	308 82	405 20
Staff welfare expenses	2,703 86	2 369 81
Share based payments (equity settled)	185 55	197 83
Total employee benefits expense	**22,978.77**	**21,320.25**

The Code of Social Security, 2020 ("the Code") relating to employee benefits received Presidential assent in September 2020 The Code has been published in the Gazette of India However, the date on which the Code will come into effect has not been notified The Company will assess the impact of the Code when it comes into effect

Note 25: Finance costs

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost*	29,660 61	19,749 45
Exchange differences to the extent considered as an adjustment to borrowing costs	2,467 72	5 260 88
Bank charges	4,474 37	3,972 26
Interest on income tax	-	141 66
Total finance costs	**36,602.70**	**29,124.25**

* Net of amount included in the cost of qualifying assets

Note 26: Depreciation and amortisation expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (refer Note 4(a))	20,802 68	17,310 39
Amortisation of intangible assets (refer Note 4(d))	51 71	88 76
Amortisation of right of use assets (refer Note 4(c))	212 64	116 16
Total depreciation and amortisation expense	**21,067.03**	**17,515.31**

Note 27: Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spare parts	6,415 17	4,996 20
Consumption of packing materials	9 174 66	8 989 11
Chemical consumed	2,896 54	3 111 29
Catalysts consumed	617 05	525 15
Payment to contractors for bagging and other services	6,957 12	6,163 52
Power and fuel	52,093 00	62,609 91
Water charges	1,646 80	1,423 18
Rent [refer note (iii) below]	485 79	1 234 38
Rates and taxes	100 50	3,155 89
Insurance	2,324 35	2 106 21
Repairs and maintenance:		
Plant and machinery	6,105 57	4,872 59
Buildings	693 28	659 02
Others	953 91	856 92
Selling and distribution expenses;		
Freight and handling	62,838 94	48,100 77
Warehouse rent	1,237 71	562 32
Commission	264 30	570 36
Publicity and sales promotion expenses	1,334 19	1,060 03
Other selling expenses	564 91	391 44
Travelling and conveyance expenses	1,156 44	959 63
Professional, consultancy and legal expenses	1 172 31	815 19
Corporate social responsibility expenditure [refer note (ii) below]	1,035 68	754 32
Donation	0 15	0 75
Payment to statutory auditors [refer note (i) below]	165 63	142 83
Exchange differences (net)	2,005 10	8,579 42
Bad debts claims and advances written off, net of provision of Rs 46 89 (31 March 2023: Rs 56 55)	33 76	68 73
Loss allowance	797 88	1 239 90
Loss on sale/discard of property, plant and equipment (net)	2,431 13	1,511 90
Miscellaneous expenses	4,384 08	5 870 05
Total other expenses	**1,69,885.95**	**1,71,335.01**

(All amounts are in rupees lakhs, unless otherwise stated)

Note 27: Other expenses (contd)

(i) Auditors' remuneration

	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditors		
- Statutory audit	55.00	55.00
- Tax audit	8.00	8.00
- Other services	93.00	72.62
Reimbursement of expenses	9.63	7.21
	165.63	142.83

(ii) Corporate social responsibility

The Company has spent Rs. 1,035.68 (31 March 2023: Rs 669.13) towards various scheme of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. There is no unspent amount for the year ended 31 March 2024 (31 March 2023 : Rs 85.27). The unspent amount for 2022-23 was transferred to the unspent CSR account as mandated under the Act and was allocated to the ongoing CSR projects. The details are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a. Gross amount required to be spent by the Company during the year	884.50	754.31
b (i). Amount spent during the year on construction/acquisition of any asset	-	-
b (ii). Amount spent during the year on purpose other than construction/acquisition of any asset, as below:		
- Skill Development and Livelihood promotion for marginalized households (Farm sector development)	506.39	161.03
- Promotion of Healthcare and WASH (Water, Sanitation and Hygiene)	130.94	208.85
- Promotion of Quality of Education and Educational Facilities in Villages	156.98	159.85
- Promotion of digital literacy program for unemployed youths and women	-	29.01
- Promote Environment and Biodiversity (Clean Energy etc.)	118.73	31.96
- Promotion of Sports at Villages and School Level	22.15	17.49
- Disaster mitigation, Emergency relief support and contingency	13.13	21.82
- Women Empowerment	-	0.98
- Community Asset and Rural Infrastructure development	65.01	32.63
- Slum Area Development initiatives	-	5.51
- Need and impact assessment	22.35	-
Total	1,035.68	669.13

(iii) Leases

Short-term leases

The Company leases office which are considered to be short-term leases as the agreement is for the period of 12 months and below.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses relating to short-term leases	485.79	1,234.38
Total cash outflow for leases	485.79	1,234.38

Lease payments for short term leases not included in the measurement of the lease liability and are classified as cash flows from operating activities.

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(All amounts are in rupees lakhs, unless otherwise stated)

Note 28: Earnings per share

A. Basic and diluted earnings per share

	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Profit for the year, attributable to the equity holders of the Company	9,924 22	30,368 74
(ii) Weighted average number of equity shares - Nominal value of shares at Rs 10 each ^		
Basic (a)	81,46,73,086	77,97,86,595
Impact of employee stock option plans (b)	9,39,834	3,52,373
Diluted (c = a + b)	81,56,12,920	78,01,38,968
(iii) Earnings per share (Basic) [(i)/ (ii)]	1 22	3.89
(Diluted) [(i)/ (ii)]	1 22	3.89

Note:- The calculation of basic include impact of shares issued during the year The calculation of diluted weighted average number of shares include impact of employee share option plans

Note 29: Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March 2024	As at 31 March 2023
Claims against company not acknowledged as debt		
Subsidy withheld (refer Note (a) below)	5,352 12	5 352 12
Goods and services tax demand	465 85	182 72
Entry tax demand on imported raw materials including interest and penalty	2,909 39	2,909 39
Sales tax/VAT/CST demands	10,561 64	10,561 64
Central Excise demands	234 14	234 14
Service tax demand	88 80	88 80
Custom duty and counterveiling duty	582 44	582 44
Income tax demands	217 94	284 33
Demand under Goa green Cess Act 2013	5,348 85	4,291.34
Others claims against the Company not acknowledged as debt (refer Note (b) below)	4 448 83	3,868 12

a) Subsidy withheld

Department of Fertilizer, Government of India withheld the payment of subsidy on Imported DAP in one consignment amounting to Rs 5352 12, being the subsidy amount including freight subsidy The amount has been withheld on the basis of samples collected by the Department from Mundra Port which were reported to be deficient on account of water soluble P2O5 content as per Fertilizer Control Order (FCO) but there was no deficiency as regards to the nutrient content. The Company has represented to the Department of Fertilizers to re -examine the case on the following grounds – (a) Failure is on account of water solubility and not on account of nutrient content The nutrient content on which the Nutrient Based Subsidy is paid meets the FCO specifications (b) Water Solubility is more than 85% of the total P2O5 (c) All precautions were taken at the load port on having an international recognized inspection agency based on which the goods were shipped and dispatched and (d) The intimation on the original sample failure as well as the referee sample failure were received long after materials were dispatched well beyond the dispatch of the material to various destinations Based on the revised notification from GOI dated February 6, 2017, water soluble P2O5 content of DAP is revised to 39 5% Instead of 41% DAP import for which the amount withheld has water soluble content of 39 53% Further, vide Notification no 3-9/2008 Fert Law dated 18 November 2011 in which Triple Super Phosphate (TSP) with total P2O5 content of 46% and water soluble content of only 36 8% has been allowed to be imported and paid subsidy for 46% of P2O5 Based on above, the Company has made a representation that as per revised notification, water soluble content is as per norms and further permitting a product with same total P2O5 and less water soluble P2O5 as standard and declaring a product imported by the Company with 39 53% as non standard is not fair The Company is confident to receive a favorable outcome

(All amounts are in rupees lakhs, unless otherwise stated)

Note 29: Contingent liabilities (to the extent not provided for) (continued)

b) Others claims against the Company not acknowledged as debt
It includes the following:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Penal interest on loan from Government of India, due to delay	344.43	344.43
Industrial dispute and miscelloneous labour cases pending at various forums at different stages of dispute	491.90	493.99
Interest on water charges due to delay in payments	3,608.87	2,845.49
Others	3.63	184.21
	4,448.83	**3,868.12**

Based on discussions with the solicitors / favorable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in the above mentioned cases and hence, no provision is considered necessary. The above has been compiled based on the information and records available with the Company.

Note 30: Commitments

Capital commitments

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	14,013.50	16,206.88

Note 31: Operating Segments

a. Basis of segmentation
The Company's business activity falls within a single Operating Segment "Fertilizers and Other Trading Materials", and thus no further disclosures are required in accordance with Indian Accounting Standard (Ind AS)- 108 "Operating Segment".

b. Geographic information
The Company primarily operates in and therefore no geographical segment information has been provided herein.

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Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'

Gratuity
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1976. The scheme is funded with Life insurance Corporation of India (LIC) in the form of qualifying insurance policy. The Company undertakes all the risk pertaining to the plan

Post Retirement medical benefit plan
The Company has a defined benefit post retirement medical benefit plan, for its employees. The Company provides medical benefit to those employees who leave the services of the Company on retirement. As per the plan, retired employee and the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. In case of death of retired employee, the spouse will be covered till the age of 85 years and the dependent children till they attain the age of 25 years. The plan is not funded by the Company

Provident fund
The Company has set up provident fund trust wherein contributions are made and accordingly the same is considered as a defined benefit plan in accordance with Ind-AS 19, Employee Benefits, wherein provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. During the current year, actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by the institute of Actuaries.

A. Defined contribution plan:

The amount provided for defined contribution plans are follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Pension Scheme	217.38	203.07
Superannuation Fund	190.39	195.07
National Pension Scheme	188.65	148.69
Total	**596.42**	**546.83**

B. Gratuity and other post-employment benefit plans:

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity Plan - (Liability)	(1,118.00)	(538.08)
Post retirement medical benefits plan - (Liability)	(82.35)	(154.44)

C. Other long term employee benefits:
The amount provided for during the year is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Leave encashment	573.54	718.01

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Notes to the standalone financial statements(continued)
(All amounts are in rupees lakhs, unless otherwise stated)
Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

D. Reconciliation of the net defined benefit (asset)/ liability
The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Gratuity plan:

Particulars	31 March 2024			31 March 2023		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
Balance at the beginning of the year	(6,713.30)	6,175.21	(538.08)	(5,500.19)	3,729.15	(1,771.05)
Adjustment on account of business acquisition (refer Note 44)	-	-	-	(1,401.08)	1,196.67	(204.41)
Included in Profit or loss						
Current service cost	(268.65)	-	(268.65)	(266.52)	-	(266.52)
Past service cost	-	-	-	-	-	-
Net interest expense/income	(501.20)	461.03	(40.18)	(479.47)	340.79	(138.68)
	(769.85)	**461.03**	**(308.82)**	**(745.99)**	**340.79**	**(405.20)**
Included in OCI						
Return on plan assets (excluding amounts included in net interest expense)	-	(39.21)	(39.21)	-	(23.93)	(23.93)
Actuarial loss (gain) arising from experience adjustment	(132.15)	-	(132.15)	77.07	-	77.07
Changes in financial assumptions	(171.00)	-	(171.00)	15.82	-	15.82
Changes in demographic assumptions	-	-	-	-	-	-
	(303.15)	**(39.21)**	**(342.36)**	**92.89**	**(23.93)**	**68.96**
Others						
Benefits paid	897.93	(897.93)	-	838.46	(838.46)	-
Contributions paid by employer	-	54.50	54.50	-	1,771.00	1,771.00
Other adjustments	16.77	-	16.77	2.62	-	2.62
Balance at the end of the year	**(6,871.60)**	**5,753.60**	**(1,118.00)**	**(6,713.30)**	**6,175.21**	**(538.08)**

Post retirement medical benefits plan:

Particulars	31 March 2024			31 March 2023		
	Defined benefit obligation	Fair value of plan assets	Benefit (liability)	Defined benefit obligation	Fair value of plan assets	Benefit (liability)
Balance at the beginning of the year	(154.44)	-	(154.44)	(166.03)	-	(166.03)
Included in Profit or loss						
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Net interest expense/income	(11.53)	-	(11.53)	(11.78)	-	(11.78)
	(11.53)	-	**(11.53)**	**(11.78)**	-	**(11.78)**
Included in OCI						
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-	-
Actuarial loss (gain) arising from experience adjustment	85.51	-	85.51	18.99	-	18.99
Changes in financial assumptions	(1.89)	-	(1.89)	4.38	-	4.38
Changes in demographic assumptions	-	-	-	-	-	-
	83.62	-	**83.62**	**23.37**	-	**23.37**
Balance at the end of the year	**(82.35)**	-	**(82.35)**	**(154.44)**	-	**(154.44)**

(All amounts are in rupees lakhs, unless otherwise stated)

Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

E. Investment pattern in plan assets:

Particulars	As at 31 March 2024	As at 31 March 2023
	Gratuity Fund	Gratuity Fund
Investment with insurers	100.00%	100.00%

F. Economic assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
	%	%
Discount rate:		
Gratuity plan	7.15%	7.45%
Post retirement medical benefits	7.15%	7.45%
Future salary increase:		
Gratuity plan	8% for first two years and 6.50% thereafter	8% for first two years and 6.50% thereafter

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Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

G. Sensitivity analysis

Gratuity plan:

Particulars	As at 31 March 2024		As at 31 March 2023	
Assumption: Discount rate				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(374.96)	425.76	(369.70)	417.46
Assumption: Future salary increase				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	310.26	(302.82)	311.20	438.32

Post retirement medical benefits plan:

Particulars	As at 31 March 2024		As at 31 March 2023	
Assumption: Discount rate				
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(6.04)	6.87	(11.45)	13.07

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period

Sensitivities due to mortality & withdrawals are not material and hence impact of change has not been calculated

H. Maturity Profile of Defined benefit obligation:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gratuity Fund	Post retirement medical benefit	Gratuity Fund	Post retirement medical benefits
Within next 12 months	1,207.17	5.94	880.38	11.15
Between 2 and 5 years	3,911.39	25.20	3,987.37	47.67
Between 6 and 10 years	2,429.03	34.16	2,951.26	64.59
Beyond 10 Years	4,267.31	78.97	4,082.76	160.47

The weighted average duration of the defined benefit plan obligation relating to gratuity at the end of the reporting year is 5 years (31 March 2023; 5 years).

The Company expects to contribute Rs 1,385.71 (31 March 2023: Rs 313.88) and Rs 849.64 (31 March 2023: Rs 642.30) to gratuity trust and provident fund trust respectively in the next financial year

Note 31: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' (Continued)

I. Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above defined benefit which are as follows:

Interest rate risk	The present value of defined benefit obligation is determined using the discount rate based on the market yield prevailing at the end of the reporting period on Government Bonds. A decrease in yield will increase the fund liabilities and vice-versa
Investment Risk	This may arise from volatility in the assets value due to market fluctuation and impairment of assets due to credit losses. These plan assets are invested with LIC - the valuation of which is inversely proportional to the interest rate movements.
Inherent risk	The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability
Withdrawal risk	Deviations in actual withdrawal than assumed withdrawals and change of withdrawal rates at subsequent valuation can impact plan liability

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Note 33: Related Party Disclosure

A. Name of Related Parties

Holding Company
Zuari Maroc Phosphates Private Limited

Joint Venturer of the Holding Company
Zuari Agro Chemicals Limited
OCP S.A., Morocco

Subsidiary of the Joint Venturer of the Holding Company
Mangalore Chemicals and Fertilizers Limited
Zuari FarmHub Limited

Party having significant influence
Zuari Industries Limited (Erstwhile Zuari Global Limited)
Zuari Management Services Limited
Zuari Infraworld India Limited
Zuari IAV Private Limited
Simon India Limited
Phosphates De Boucraa SA
Pakistan Maroc Phosphore
Jorf Fertilizer SA
Adventz Finance Private Limited

Joint Venture of Joint Venturer of the Holding Company
Indo Maroc Phosphore S.A. Morocco

Associate of the Company
Zuari Yoma Agri Solutions Limited

Key Managerial Personnel
Mr. N. Suresh Krishnan, Managing Director
Mr. K K Rajeev Nambiar, President & Chief Operating Officer (w.e.f. 3 January 2024)
Mr. Subaleel Nandy, President & Chief Operating Officer (w.e.f. 1 August 2020 upto 31 March 2023)
Mr. Bijoy Kumar Biswal, Chief Financial Officer
Mr. Sachin Patil, Company Secretary

Directors
Mr. S. K. Poddar, Chairman
Mr. Karim Lotfi Senhadji, Director
Ms. Kiran Dhingra, Independent Director (upto 26 July 2023)
Mr. Marco P.A. Wadia, Independent Director
Mr. Satyananda Mishra, Independent Director
Mr. Dipankar Chatterji, Independent Director
Mr. Subhrakanta Panda, Independent Director
Mrs. Rita Menon, Independent Director (w.e.f. 27 June 2023)

Enterprise where Director is interested
Lionel India Limited

Employee benefit trust
PPL Employee's Provident Fund

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B. Transactions :

Name of Related Party	Sl. No.	Nature of Transactions	For the year ended 31 March 2024	For the year ended 31 March 2023
Indo Maroc Phosphare S.A. Morocco	a)	Purchase of raw materials (Phosphoric acid)	95,780.05	[illegible]
	b)	Other expenses (Demurrage Expenses)	28.36	64.54
	c)	Other expenses (Claims Written off)	-	[illegible]
OCP S.A., Morocco	a)	Purchase of raw materials (Rock phosphate)	72,599.49	[illegible]
	b)	Purchase of raw materials (Phosphoric acid)	54,301.72	19,101.70
	d)	Other expenses (Claims Written off)	0.76	
	e)	Other expenses (Despatch money / Demurrage expenses)	185.79	584.13
Phosphates De Boucraa S.A.	a)	Purchase of raw materials (Rock phosphates)	16,557.88	60,076.25
	b)	Other expenses (Demurrage Expenses)	211.12	53.80
Jorf Fertiliser SA	a)	Purchase of stock-in-trade (Imported DAP)	-	(60.22)
Zuari Agro Chemicals Limited	a)	Sale of fertilizers and high sea sale	[illegible]	7,653.04
	b)	Purchase of fixed assets	255.00	-
	c)	Purchase of raw material for tolling	-	3,503.49
	d)	Other Expenses (Recovery of reimbursement of expenses)	121.68	-
	e)	Other expenses (Branding commission)	-	106.09
	f)	Other expenses (Exchange gain)	-	(52.91)
	g)	Other expenses (power and fuel)	-	478.42
	h)	Other expenses (Demurrage)	-	16.21
	i)	Other expenses (Tolling charges)	-	642.24
	j)	Other expenses (Rent)	97.89	4.00
	k)	Other income (Interest others)	262.71	55.64
	l)	Recovery of expenses	-	25.64
	m)	Purchase of business	-	1,68,797.46
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Other expenses (Lease rent)	1.11	8.09
Zuari FarmHub Limited	a)	Sale of fertilizers	18,425.66	21,091.58
	b)	Other income (amount written back)	-	2.80
	c)	Other income (Misc income)	694.89	-
	d)	Recovery of expenses	28.62	18.22
	e)	Other Expenses (Reimbursement of expenses)	12.70	-
Simon India Limited	a)	Purchase of fixed asset	3.12	6.17
	b)	Advance written off	24.19	-
	c)	Other income	-	42.53
	d)	Other Expenses (Reimbursement of expenses)	68.92	60.14
Zuari Management Services Limited	a)	Other Expenses (Reimbursement of expenses)	789.22	693.24
	b)	Recovery of expenses	-	11.94
Mangalore Chemicals and Fertilizers Limited	a)	Sale of Ammonia and sulphuric acid	12,419.18	3,697.12
	b)	Purchase of raw material	97.36	-
	e)	Other Expenses (Reimbursement of expenses)	43.10	0.04
	f)	Recovery of expenses	-	4.25
Lionel India Limited	a)	Other expenses (Purchase of air ticket)	[illegible]	190.09
Adventz Finance Private Limited	a)	Other Expenses (Rent)	214.43	132.29
	b)	Other Expenses (Recovery of reimbursement of expenses)	-	8.97
	c)	Rent advance	-	34.20
	d)	Security deposit paid	-	18.00
Zuari IAV Private Limited	a)	Other Expenses (Reimbursement of expenses)	-	0.79
Zuari Maroc Phosphates Private Limited	a)	Recovery of expenses	9.63	1,354.80
	b)	Purchase of Raw material-Sulphuric Acid & Ammonia	1,039.70	
	c)	Dividend paid	2,284.71	
PPL Employee's Provident Fund	a)	Employee benefits expense (Contribution to provident fund)	588.32	568.66
Mr. N Suresh Krishnan	a)	Managerial remuneration*	450.82	417.61
Mr. K K Rajeev Nambiar	a)	Remuneration *	56.24	-
Mr. Sabaleel Nandy	a)	Remuneration	48.97	164.65
Mr. Bijoy Kumar Biswal	a)	Remuneration *	84.39	64.47
Mr. Sachin Patil	a)	Remuneration *	23.06	23.60
Mr. Saroj Kumar Poddar	a)	Director Sitting Fee and commission	10.00	-
Mrs. Kiran Dhingra	a)	Director Sitting Fee and commission	12.50	6.45
Mr. Marco P A Wadia	a)	Director Sitting Fee and commission	5.00	4.30
Mr. Satyananda Mishra	a)	Director Sitting Fee and commission	17.20	5.90
Mr. Dipankar Chatterjee	a)	Director Sitting Fee and commission	16.60	5.35
Mr. Subhrakant Panda	a)	Director Sitting Fee and commission	12.50	1.00
Mrs. Rita Menon	a)	Director Sitting Fee	3.10	-

* The managerial remuneration to key management personnel include expenses related to post employement plans Rs 16.70 and share based payments Rs 24.07

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C. Balance outstanding

Particulars	Sl. No.	Nature of Transactions	As at 31 March 2024	As at 31 March 2023
Indo Maroc Phosphore S.A. Morocco	a)	Trade payables - Purchase of raw material	401 04 Cr	51,568 78 Cr
	b)	Claims receivable	5,673 10 Dr	4,862 38 Dr
OCP S.A., Morocco	a)	Trade Payable - Purchase of raw material	17 102 93 Cr	2895 21 Cr
	b)	Claims receivable	17,861 23 Dr	19,551 64 Dr
	c)	Trade payables - Reimbursement of expenses	-	38 30 Dr
Pakistan Maroc Phosphore SA	a)	Trade payables - Purchase of raw material	9 96 Cr	9 82 Cr
Phosphates De Boucraa S.A	a)	Trade Payables - Purchase of raw material	23,891 05 Cr	22,308 56 Cr
	b)	Claims receivable	2[illegible]98 23 Dr	8,142 49 Dr
Jorf Fertilizer SA	a)	Trade Payables - Purchase of raw material	52 40 Cr	96 22 Cr
	b)	Trade Payables - Purchase of traded material	39 17 Dr	83 19 Dr
	c)	Claims receivable	-	-
Zuari Yoma Agri Solutions Limited	a)	Investment in associate	365 60 Dr	365 60 Dr
	b)	Other receivable - Reimbursement of expenses	56 18 Dr	56 18 Dr
Zuari Agro Chemicals Limited	a)	Trade receivables - Sale of fertilizers	4,052 23 Dr	3,9[illegible] Dr
	b)	Other financial liabilities - payable against business acquisition	-	1,[illegible] Cr
	c)	Other financial assets-Interest receivables	318 34 Dr	55 63 Dr
	d)	Trade receivable - Reimbursement of expenses	48 77 Dr	87 86 Cr
	e)	Trade payables - Branding commission	106 09 Cr	106 09 Cr
	f)	Trade receivable - Rent	8 64 Cr	4 00 Cr
	g)	Trade receivables - Recovery of expenses	32 03 Dr	25 64 Dr
	h)	Capital Advance - Advance for Purchase of Land	1,191 45 Dr	1 100 Dr
Zuari Industries Limited (Erstwhile Zuari Global Limited)	a)	Trade payable - Lease Rent	-	27 70 Cr
Zuari FarmHub Limited	a)	Trade receivables - Sale of Fertilizers	6,399 28 Dr	7,[illegible] 78 Dr
	b)	Trade receivables - Recovery of expenses	5 87 Dr	18 22 Dr
Simon India Limited	a)	Capital advance - Purchase of fixed asset	-	24 19 Dr
	b)	Advance to vendors	1 09 Dr	-
	c)	Trade Payable - Reimbursement of expenses	4 74 Cr	0 46 Dr
Zuari Management Services Limited	a)	Trade Payables - Reimbursement of expenses	34 20 Cr	18 86 Cr
Zuari Infraworld India Limited	a)	Advance to vendors - Reimbursement of expenses	1 34 Dr	1 34 Dr
	b)	Trade Payable - Reimbursement of expenses	24 26 Dr	5 06 Cr
	c)	Security deposit	-	29 32 Dr
Mangalore Chemicals and Fertilizers Limited	a)	Advance to vendors - Purchase of fertilizer	-	114 99 Dr
	b)	Trade Receivables - High sea sale of raw material	0 03 Dr	3 693 47 Dr
	c)	Trade payables - Other expenses	0 12 Dr	-
Lionel India Limited	a)	Trade payables - Purchase of air ticket	38 [illegible] Cr	0 26 Cr
Adventz Finance Private Limited	a)	Security deposit	60 00 Dr	60 00 Dr
	b)	Trade Payables - Rent	5 [illegible] Cr	-
	c)	Advance to vendors - rent	-	34 20 Dr
Zuari Maroc Phosphates Private Limited	a)	Other payable	-	13 54 Cr
	b)	Trade payables	1 039 13 Cr	-
Mr. Sabaleel Nandy	a)	Remuneration	-	2 25 Cr
PPL Employee's Provident Fund	a)	Contribution to provident fund	49 96 Cr	47 32 Cr

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Note 34: Financial instruments - Fair value of financial assets and financial liabilities

(a) Accounting classifications and fair values:

	Fair Value Hierarchy	As at 31 March 2024	As at 31 March 2023
Derivative financial liabilities	Level 2	-	1,628.93
Derivative financial assets	Level 2	210.31	-

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2024		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
Financial assets						
Current financial assets						
Trade receivables	-	-	2,72,047.93	-	-	-
Cash and cash equivalents	-	-	9,071.79	-	-	-
Other bank balances	-	-	2,730.57	-	-	-
Derivative financial asset	210.31	-	-	-	210.31	-
Claims receivable	-	-	48,424.38	-	-	-
Interest receivable on deposits, receivables etc	-	-	380.02	-	-	-
Receivables from Gas pool operator			1,348.16			
Other receivables from related parties	-	-	56.18	-	-	-
Total financial assets	**210.31**	**-**	**3,34,059.03**	**-**	**210.31**	**-**
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	-	67,650.58	-	-	-
Lease liabilities			1,722.29			
Current financial liabilities						
Borrowings	-	-	3,31,786.96	-	-	-
Lease liabilities	-		210.89			
Trade and other payables	-	-	1,57,933.07	-	-	-
Security deposits	-	-	13,334.09	-	-	-
Total financial liabilities	**-**	**-**	**5,72,637.88**	**-**	**-**	**-**

Particulars	As at 31 March 2023			As at 31 March 2023		
	FVTPL	FVOCI	Amortised cost *	Level 1	Level 2	Level 3
Financial assets						
Current financial assets						
Trade receivables	-	-	3,68,973.75	-	-	-
Cash and cash equivalents	-	-	4,303.42	-	-	-
Other bank balances	-	-	6,681.98	-	-	-
Other current financial assets						
Claims receivable	-	-	32,587.91	-	-	-
Interest receivable on deposits, receivables etc	-	-	126.68	-	-	-
Receivables from Gas pool operator			961.03			
Other receivables from related parties	-	-	42.65	-	-	-
Total financial assets	**-**	**-**	**4,13,677.42**	**-**	**-**	**-**
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	-	61,188.79	-	-	-
Lease liabilities			1,603.78			
Other non-current financial liabilities	-	-	180.42	-	-	-
Current financial liabilities						
Borrowings	-	-	4,01,921.53	-	-	-
Lease liabilities			77.32			
Trade and other payables	-	-	2,00,817.27	-	-	-
Derivatives financial liabilities	1,628.93	-	-	-	1,628.93	-
Security deposits	-	-	12,804.58	-	-	-
Total financial liabilities	**1,628.93**	**-**	**6,78,593.69**	**-**	**1,628.93**	**-**

* The carrying amounts of these financial instruments are a reasonable approximation of their fair value

The fair value of investments in mutual funds is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published NAV statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuer will redeem such units from the investors

The fair value of derivatives is determined using quoted forward exchange rates at the reporting date

There has been no transfer between level 1, level 2 and level 3 during the year

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(b) Class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Financial assets				
Investments	-	-	-	-
Others:				
Derivative financial assets	210.31	-	210.31	-
Total financial assets	**210.31**	-	**210.31**	-
Financial liabilities				
Borrowings				
Long term borrowings (Floating rate)	67,650.58	61,188.79	67,650.58	61,188.79
Lease liabilities	1,722.29	1,603.78	1,722.29	1,603.78
Others:				
Derivative financial liabilities	-	1,628.93	-	1,628.93
Employee related dues	-	180.42	-	180.42
Total financial liabilities	**69,372.87**	**64,601.92**	**69,372.87**	**64,601.92**

The management assessed that cash and cash equivalents, other bank balance, trade receivables, other current financial assets (except derivative financial assets), trade payables, short term borrowings and other current financial liabilities (except derivative financial liabilities) approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative contracts. 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 treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. 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 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial assets

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

Trade receivables

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigates the credit risk to some extent.

Reconciliation of loss allowance on:	Trade receivables amount	Other financial assets amount
Balance as at 1 April 2022	4,515.03	209.79
Movement during the year	1,235.84	-
Balance as at 31 March 2023	**5,750.87**	**209.79**
Movement during the year	618.26	-
Balance as at 31 March 2024	**6,369.13**	**209.79**

B Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2024

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	1,48,811.73	1,48,811.73	-	-
Borrowings (including current maturities of non-current borrowings)	3,99,437.54	3,31,786.96	67,650.58	-
Other financial liabilities	22,455.43	22,455.43	-	-
Lease liabilities	1,933.18	304.47	1,167.39	1,826.60
Total	**5,72,637.88**	**5,03,358.59**	**68,817.97**	**1,826.60**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2023

Particulars	Carrying amount	Less than 1 year	1-5 Years	> 5 years
Trade payables	1,91,247.67	1,91,247.67	-	-
Borrowings (including current maturities of non-current borrowings)	4,63,110.32	4,01,921.53	61,188.79	-
Other financial liabilities	24,183.53	24,003.11	180.42	-
Lease liabilities	1,681.10	199.60	1,054.18	1,838.07
Total	**6,80,222.62**	**6,17,371.91**	**62,423.39**	**1,838.07**

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Note 35: Financial instruments - financial risk management (continued)

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in other market variables. Refer sensitivity analyses below.

The following assumptions have been made in calculating the sensitivity analysis:

• The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023

(a) 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

Sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. Refer Note 37 for details on foreign currency exposure

Particulars	Profit and loss	
	As at 31 March 2024	As at 31 March 2023
INR/USD strengthening [5% movement]	959.95	(81.11)
INR/USD weakening [5% movement]	(959.95)	81.11
INR/EURO strengthening [5% movement]	(474.64)	(161.37)
INR/EURO weakening [5% movement]	474.64	161.37

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages fund requirements and performs sensitivity analysis to keep interest rate risk within limits

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and equity is affected through the impact on floating rate borrowings, as follows:

Particulars	Profit or loss	
	As at 31 March 2024	As at 31 March 2023
INR Borrowings		
Variable rate instruments - increase by 50 basis points	(1,239.34)	(1,021.33)
Variable rate instruments - decrease by 50 basis points	1,239.34	1,021.33
Foreign Currency Borrowings-USD		
Variable rate instruments - increase by 50 basis points	(758.50)	(1,294.22)
Variable rate instruments - decrease by 50 basis points	758.50	1,294.22

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment

(c) Commodity price risk

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and muriatic potash. All being international commodities is subject to price fluctuation on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend

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Note 36: Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital keeping in view the adequate interest and debt service coverage ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note 37: Unhedged foreign currency exposure

(a) Forward contract outstanding as at 31 March 2024, against import of goods is Rs. 198,038.68 (31 March 2023: Rs. 334,293.05).

(b) Details of un-hedged foreign currency exposure as on the Balance Sheet date are as follows:

	As at 31 March 2024			As at 31 March 2023		
	(USD in million)	(EURO in million)	(Rs. In lakhs)	(USD in million)	(EURO in million)	(Rs. In lakhs)
Liabilities:						
Trade Payable and Creditors for Property Plant and Equipment (including acceptance)	36.44	3.17	33,246.73	37.99	-	31,218.23
Short term borrowings- Buyers and Suppliers' Credit	-	7.26	6,524.25	5.96	-	4,897.81
Other Interest accrued but not due on borrowings	1.34	0.13	1,236.00	2.39	0.02	1,982.34
Assets:						
Claims receivable	60.80	-	50,713.20	40.46	-	33,248.76

Note 38: Reconciliation of liabilities from financing activities.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year		
- Non-current borrowings	61,188.79	52,817.08
- Current borrowings	4,01,921.53	2,42,612.49
Cash flows		
- Proceeds/(Repayment) of non-current borrowings	8,797.71	25,704.06
- Proceeds/(Repayment) of current borrowings	(74,002.84)	1,28,580.21
Non-cash changes - represents foreign exchange fluctuation and unwinding of interest	1,532.35	13,396.48
Balance at the end of the year		
- Non-current borrowings	67,650.58	61,188.79
- Current borrowings	3,31,786.96	4,01,921.53

(All amounts are in rupees lakhs, unless otherwise stated)

Note 39

a) The Company, in an earlier year, had received an Arbitration Award in its favour in the matter of Cargo Charges Tariff dispute with Paradeep Port Trust (PPT) for the years 1993 -1999. PPT in earlier year had appealed with the higher authorities against such award which was confirmed by the Appellate Authority. However, as against the above order, the PPT went into further appeal with the Hon'ble High Court of Odisha and the High Court in its interim order directed the Company not to execute award at this stage. The Company has not recognized this award as income in the Statement of Profit and Loss.

b) Paradeep Port Trust (PPT) proposed a revision in scale of rates applicable to the Company for cargo handling in the captive berth w.e.f. 1 April 1999. The matter was referred to Tariff Authority of Major Ports (TAMP) on mutual consent of the parties under the direction of Hon'ble High Court of Odisha. During the previous year, TAMP had finalized the rates, but PPT had not agreed with the order and proceeded with a writ petition before the Hon'ble High Court of Odisha against the said order. Pending disposal of the case, the Company has not recognized the amount receivable from PPT towards the excess amount paid over the applicable TAMP order.

Note 40

During the year, a sum of Rs. 162.01 (31 March 2023: Rs. 119.14) including capital expenditure of Rs. 45.22 (31 March 2023: Rs. 0.95) was spent on research and development (excluding depreciation charge).

Note 41 : Analytical ratios

Ratio	Numerator	Denominator	Current year	Previous year	% change
Current ratio (in times)	Total current assets	Total current liabilities	1.10	1.10	0%
Debt-Equity ratio (in times)	Total borrowings	Total equity	1.12	1.32	-15%
Debt service coverage ratio (in times) (Note a)	Earning for Debt Service = Profit for the year + Interest expenses + Depreciation and amortisation expenses + Other non-cash adjustments	Debt service = Interest + Principal repayments	0.93	1.24	-25%
Return on equity ratio (in %) (Note b)	Profit for the year	Average total equity	2.81%	10.60%	-74%
Inventory turnover ratio (in times)	Revenue from operations	Average inventory	5.68	5.89	-3%
Trade receivables turnover ratio (in times) (Note c)	Revenue from operations	Average trade receivables	3.54	5.68	-38%
Trade payables turnover ratio (in times)	Purchase of raw materials and traded goods	Average trade payables	5.06	5.16	-2%
Net capital turnover ratio (in times) (Note c)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	20.02	37.88	-47%
Net profit ratio (in %) (Note d)	Profit for the year	Revenue from operations	0.86%	2.28%	-62%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Total debt + Deferred tax liabilities	6.57%	8.70%	-24%

Notes:

a. The % change is primarily on account of lower profits earned during the year.
b. The % change is primarily on account of lower profits earned during the year.
c. The % change is primarily on account of decrease in turnover during the year on account of lower subsidy revenue.
d. The % change is primarily on account of lower profits earned during the year.

Note 42(a) : Employee share based payment

Pursuant to the resolutions passed by the Board and by the Shareholders on 10 August 2021, the Company approved "PPL Employees Stock Option Plan 2021" ("ESOP 2021") is in compliance with the SEBI SBEB Regulations. The ESOP Scheme is for issue of employee stock options to eligible employees. Upon exercise and payment of the exercise price, an option holder will be entitled to be allotted one Equity Share per employee stock option.

The details of ESOPs are as under:

Vesting conditions	Exercise period	Date of Grant	Numbers of options granted	Exercise price per share
On continued employment with the Company	3 years from date of each vesting	29 April 2022	24,00,058	Rs 42
On continued employment with the Company	3 years from date of each vesting	20 June 2023	8,14,135	Rs 51
On continued employment with the Company	3 years from date of each vesting	5 February 2024	4,38,319	Rs 51 to Rs 64

Vesting schedule :

Vesting schedule of the said options granted on 29 April 2022, 20 June 2023 and 5 February 2024 was as follows:

- After 12 Months from the date of grant : 30 % of the options granted
- After 24 Months from the date of grant : 35 % of the options granted
- After 36 Months from the date of grant : 35 % of the options granted

The Exercise period shall not be more than 3 (Three) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

Particulars						
Grant date	29 April 2022	20 June 2023	5 February 2024	5 February 2024	5 February 2024	5 February 2024
Fair value at grant date(Rs)	16.36	31.03	46.43	43.94	42.52	40.28
Share price at grant date(Rs)	41	63.20	80.90	80.90	80.90	80.90
Exercise price(Rs)	42	51	53	56	59	64
Expected Life (expected weighted average life)	3.55	3.55	3.55	3.55	3.55	3.55
Expected dividend yield (%)	0	0	0	0	0	0
Expected volatility	45%	45%	45%	45%	45%	45%
Risk free interest rate (based on zero-yield	6.48%	7.19%	7.19%	7.19%	7.19%	7.19%

Reconciliation of outstanding share options:

Particulars	As at 31 March 2024	As at 31 March 2023
Number of Options Outstanding at the beginning of the year	2,019,004	-
Number of Options granted during the year	1,252,754	2,400,058
Number of Options forfeited/lapsed during the year	129,368	381,054
Number of Options exercised during the year	281,027	-
Number of Options outstanding at the end of the year	2,861,363	2,019,004
Number of Options exercisable at the end of the year	299,531	-

Expense arising from share based payment transactions:

Total expenses arising from share-based payment transactions recognised in Statement of Profit and Loss as part of employee benefit expense are as follows

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenses on Employees Stock Options Scheme	185.55	197.83

Note 42(b) : The utilisation of IPO proceeds out of fresh issue is summarized below:

During financial year 2022-23 the Company completed its Initial Public Offer (IPO) of 357,555,112 equity shares of face value of Rs. 10/- each for cash at an issue price of Rs. 42/- per equity share aggregating to Rs 150,173.15, consisting of fresh issue of 239,047,619 equity shares aggregating to Rs 100,400.00 and an offer for sale of 118,507,493 equity shares aggregating to Rs 49,773.15 by the selling shareholders. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 27 May 2022.

The utilisation of IPO proceeds out of fresh issue is summarized below:

Particulars	Object of the issue as per prospectus	Utilisation upto 31 March 2023	Unutilised amount as at 31 March 2023
Part-financing the acquisition of the Goa Facility	52,000	52,000	-
Repayment/prepayment of certain of our borrowings	30,000	33,450	-
General corporate purposes	11,315	10,865	-

Note 43

a) The Company has not entered into any transactions with struck off companies during the year ended 31 March 2024 (previous year ended 31 March 2023).

b) 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 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 to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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PARADEEP PHOSPHATES LTD. BHUBANESWAR

(All amounts are in rupees lakhs, unless otherwise stated)

Note 44(a) : Business combination

(a) During the year 2022-23 Company completed the acquisition of Goa plant and allied business of Zuari Agro Chemicals Limited ("ZACL") on a slump sale going concern basis pursuant to the business transfer agreement entered into by the Company with ZACL. The acquisition was completed and effective from 1 June 2022 for a consideration of Rs. 168,797.46 which was paid to ZACL pursuant to the business transfer agreement. The Goa plant and allied business acquired by the Company is in the business of manufacture and sale of urea and complex fertilisers.

(b) Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:-

Particulars	As at 1 June 2022
ASSETS	
I. Non-current assets	
(a) Property, plant and equipment	1,47,378.30
(b) Right-of-use assets	1,082.90
(c) Capital work-in-progress	12,992.80
(d) Intangible assets	76.13
(e) Financial Assets	
(i) Loans	19.30
(ii) Others	233.20
Total non-current assets	**1,61,782.63**
II. Current assets	
(a) Inventories	9,194.20
(b) Financial assets	
(i) Loans	3.50
(ii) Trade receivables	37,010.20
(iii) Other financial assets	170.93
(c) Other current assets	15,198.20
Total current assets	**61,577.03**
Total assets A (I+II)	**2,23,359.66**
Liabilities	
(1) Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	10.10
(ii) Lease Liabilities	1,780.78
Total non-current liabilities	**1,790.88**
(II) Current liabilities	
(a) Financial liabilities	
(i) Trade payables	41,047.16
(ii) Other financial liabilities	14,070.90
(b) Other current liabilities	2,365.26
(c) Provisions	1,792.90
Total current liabilities	**59,276.22**
Total liabilities B (I+II)	**61,067.10**
Total fair value of net assets acquired C (A-B)	**1,62,292.56**
Closing Consideration D	**1,68,797.46**
Deferred tax asset relating to origination and differences of Goa unit on Slump sale E	**697.96**
Goodwill (D-C-E)	**5,806.94**

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Note 44(a): Business combination (continued)

(c) Acquisition related costs amounting to Rs. 4.68 on legal fees, valuation fees, Rs. 3,069.91 as stamp duty have been recognized as legal and professional expense and rates and taxes respectively in the Standalone Statement of Profit and Loss within Other expenses.

(d) From the date of acquisition, the acquired business contributed Rs. 4,28,259.23 to total income and a profit of Rs. 3,453.74 to the standalone profit before tax. Had the business combination been effected at April 1, 2022, the total income of the Company would have been higher by Rs. 28,622.00 and profit before tax would have been lower by Rs. 1,522.00 .

(e) The goodwill recognized is attributable to expected synergies from combining operations of the Company and acquired business and would not be deductible for tax purposes.

(f) In relation to property, plant and equipment acquired through business combination fair valuation was determined based on the valuation model which considered market prices for similar items and depreciated replacement cost, as appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(g) Contingent liabilities was recognized on acquisition, the details of which are as under:-

Particulars	Amount
Customs duty demand	530.14
Goods and services tax demand	4,016.08
Demand notice from commercial tax department Goa towards non-registration under Goa Green Cess Act, 2013 as being importer of natural gas	4,291.34
Demand from Directorate of Revenue Intelligence towards wrongful availment of exemption notification based on SEIS scrips	140.52

As at 31 March 2023, there has been no change in the amount recognized as contingent liabilities on 1 June 2022, as there has been no change in the probability of the outcome of the cases as noted above.

Note 44(b): Impairment of goodwill

The Company has allocated the goodwill on business combination to Goa plant. The carrying amount of goodwill as at the end of the reporting period is Rs. 5,806.94 lakhs.
The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows. Following key assumptions were considered while performing impairment testing annually:

Key Assumptions	As at 31 March 2024
Annual growth rate for next 5 years	3% to 7%
Terminal growth rate	5%
Weighted average cost of capital after tax %	12.98%

The projections cover a period of five years, as the Company believes this to be the most appropriate time period over which to review and consider annual performances and thereafter fixed terminal value has been considered.
Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company)
The goodwill is tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the year presented.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

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Note 45

Pursuant to the scheme of merger dated 07 February 2024, the Board considered and approved a composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company"), the Company and their respective creditors and shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 ("Companies Act") and other applicable laws, for, inter alia, the amalgamation of the Transferor Company with and into the Company by way of a merger. Necessary accounting effect of the scheme would be given in due course upon receipt of the requisite approvals.

Note 46: The Standalone Financial Statements were approved for issue by the board of directors on 15 May 2024

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757
Place: Bengaluru
Date - 15 May 2024

For and on behalf of the Board of Directors of
Paradeep Phosphates Limited
CIN: L24129OR1981PLC001020

N. Suresh Krishnan	**S.K. Poddar**	**Sachin Patil**	**Bijoy Kumar Biswal**
Managing Director	Chairman	Company Secretary	Chief Financial Officer
DIN: 00021965	DIN: 00008654		
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date - 15 May 2024	Date:- 15 May 2024	Date - 15 May 2024	Date - 15 May 2024

B S R & Co. LLP
KOLKATA
Chartered Accountants

Paradeep Phosphates Ltd.
Bhubaneswar

B S R & Co. LLP
Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No 5, Block - DP
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Tel: +91 33 4035 4200
Fax: +91 33 4035 4295 .

Limited Review Report on unaudited standalone financial results of Paradeep Phosphates Limited for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Paradeep Phosphates Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

B S R & Co. LLP
KOLKATA
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN:24055757BKEYMZ1913

Kolkata
28 October 2024

PARADEEP PHOSPHATES LIMITED
Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020
STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Crores)

Particulars	Standalone	
	As at 30 September 2024 (Unaudited)	**As at 31 March 2024 (Audited)**
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	3,308 85	3,353 18
(b) Right of use assets	16 71	17 91
(c) Capital work-in-progress	414 71	372 19
(d) Goodwill	58 07	58 07
(e) Intangible assets	2 18	1 84
(f) Investments in associate	3 66	3 66
(g) Other income tax assets (net)	56 21	59 50
(h) Other non-current assets	41 58	38 29
Total non-current assets	**3,901.97**	**3,904.64**
II. Current assets		
(a) Inventories	2,492 90	1,830 83
(b) Financial Assets		
(i) Investments	696 55	-
(ii) Trade receivables	2,435 15	2,720 48
(iii) Cash and cash equivalents	205 20	90 72
(iv) Bank balances other than (iii) above	336 69	27 31
(v) Other financial assets	322 27	504 19
(c) Other current assets	666 21	583 14
(d) Asset classified as held for sale	0 23	0 23
Total current assets	**7,155.20**	**5,756.90**
Total assets (I+II)	**11,057.17**	**9,661.54**
EQUITY AND LIABILITIES		
I. Equity		
(a) Equity share capital	814 78	814 78
(b) Other equity	2,944 85	2,750 03
Total equity	**3,759.63**	**3,564.81**
II. Liabilities		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	643 79	676 51
(ii) Lease liabilities	16 19	17 22
(b) Provisions	24 79	26 21
(c) Deferred tax liabilities (net)	167 97	150 85
Total non-current liabilities	**852.74**	**870.79**
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,683 93	3,317.87
(ii) Lease liabilities	2 35	2 11
(iii) Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	18 89	9 30
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,222 71	1,478 83
(iv) Other financial liabilities	259 57	224 55
(b) Other current liabilities	145 26	120 20
(c) Provisions	77 76	72 85
(d) Current tax liabilities (net)	34 33	0 23
Total current liabilities	**6,444.80**	**5,225.94**
Total liabilities	**7,297.54**	**6,096.73**
Total equity and liabilities (I+II)	**11,057.17**	**9,661.54**

PARADEEP PHOSPHATES LIMITED
Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2024

(Rs. in Crores)

Sr No	Particulars	Quarter ended 30 September 2024	Quarter ended 30 June 2024	Quarter ended 30 September 2023	Six months ended 30 September 2024	Six months ended 30 September 2023	Year ended 31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	(a) Revenue from operations	3,843.84	2,377.43	3,683.02	6,221.27	6,737.35	11,575.12
	(b) Other Income	14.91	19.21	10.99	34.12	30.17	68.84
	Total income	**3,858.75**	**2,396.64**	**3,694.01**	**6,255.39**	**6,767.52**	**11,643.96**
2	**Expenses**						
	(a) Cost of raw materials consumed	2,233.57	1,716.18	2,017.69	3,949.75	4,460.49	7,609.04
	(b) Purchase of stock-in-trade	640.92	396.38	154.81	1,037.30	831.86	1,055.09
	(c) Change in inventories of finished goods, stock-in-trade and work in progress	(49.03)	(390.64)	734.02	(439.67)	185.49	334.32
	(d) Employee benefits expense	61.49	58.00	57.81	119.49	116.05	229.79
	(e) Finance costs	81.87	90.89	95.94	172.76	188.30	366.03
	(f) Depreciation and amortisation expenses	62.63	61.23	50.68	123.86	97.70	210.67
	(g) Other expenses#	531.50	450.44	462.69	981.94	926.02	1,698.86
	Total expenses	**3,562.95**	**2,382.48**	**3,573.64**	**5,945.43**	**6,805.91**	**11,503.80**
3	**Profit/(Loss) before tax (1-2)**	**295.80**	**14.16**	**120.37**	**309.96**	**(38.39)**	**140.16**
4	**Tax expense**						
	(a) Current tax	65.26	-	-	65.26	-	-
	(b) Income tax credit of earlier period/years	(6.72)	-	-	(6.72)	-	(2.80)
	(c) Deferred tax charge/(credit)	9.80	7.83	30.94	17.63	(8.41)	43.72
	Total tax expense (a+b+c)	**68.34**	**7.83**	**30.94**	**76.17**	**(8.41)**	**40.92**
5	**Profit/(Loss) for the period/year (3-4)**	**227.46**	**6.33**	**89.43**	**233.79**	**(29.98)**	**99.24**
6	**Other comprehensive income/(loss) (net of tax)**						
	Items that will not be reclassified to profit or loss in subsequent period/year, net of tax						
	Re-measurement gains/(losses) on defined benefit plans	(2.78)	0.74	1.42	(2.04)	0.11	(2.59)
	Income tax effect on above	0.70	(0.19)	(0.36)	0.51	(0.03)	0.65
	Total other comprehensive income/(loss)	**(2.08)**	**0.55**	**1.06**	**(1.53)**	**0.08**	**(1.94)**
7	**Total comprehensive income/(Loss) for the period/year, net of tax(5+6)**	**225.38**	**6.88**	**90.49**	**232.26**	**(29.90)**	**97.30**
8	Paid up equity share capital(nominal value of Rs.10 each)						814.78
9	Other equity						2,750.03
10	**Earnings per equity share (EPS) (Rs.10 each) ***						
	(a) Basic (Rs.)	2.79	0.07	1.10	2.87	(0.37)	1.22
	(b) Diluted (Rs.)	2.79	0.07	1.10	2.87	(0.37)	1.22

* EPS for the quarters ended 30 September 2024, 30 June 2024 and 30 September 2023 and six months ended 30 September 2024 and 30 September 2023 is not annualised

\# includes donation of Rs 15 crores made to an electoral trust during the quarter ended 30 June 2024

PARADEEP PHOSPHATES LTD. *

PARADEEP PHOSPHATES LIMITED

Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020

STATEMENT OF UNAUDITED STANDALONE CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Rs. in Crores)

		Six months ended 30 September 2024 (Unaudited)	Six months ended 30 September 2023 (Unaudited)
A.	**Cash Flow from Operating Activities**		
	Profit/(loss) before Tax	309.96	(38.39)
	Adjustments for:		
	Depreciation and amortisation expenses	123.86	97.70
	Finance costs	154.72	163.17
	Interest income	(3.73)	(3.19)
	Loss on sale / discard of property, plant and equipment (net)	7.03	10.28
	Profit on sale of current investments	(1.90)	(1.07)
	Loss allowance	1.37	0.87
	Bad debts, claims and advances written off	0.34	0.07
	Unspent liabilities/provision no longer required written back	(5.44)	(17.41)
	Foreign exchange fluctuation loss unrealized (net)	(0.55)	16.81
	Employee share based compensation expense	1.36	0.60
	Operating cash flow before working capital changes	587.02	229.44
	Adjustments for:		
	(Increase)/decrease in inventories	(662.07)	312.10
	Decrease in trade receivables, loans and advances and other current assets	284.44	1,047.43
	Decrease in financial and other assets	101.23	91.78
	Decrease/(increase) in trade payables, other current liabilities	790.56	(252.80)
	Decrease/(increase) in provisions	1.45	(0.05)
	Cash generated from operations	1,102.63	1,427.90
	Income taxes paid (net of refunds)	(21.15)	(56.61)
	Net cash generated from operating activities (A)	1,081.48	1,371.29
B.	**Cash flows from investing activities**		
	Proceeds from sale of property, plant and equipment	0.02	0.16
	Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(120.94)	(218.07)
	Investments in current investments - mutual funds	(1,403.93)	(1,171.94)
	Proceeds from sale of current investments - mutual funds	709.27	1,173.01
	Interest received	2.12	2.31
	Investment in deposits/other earmarked balances	(309.08)	(24.22)
	Net cash flow used in investing activities (B)	(1,122.54)	(238.75)
C.	**Cash flow from financing activities**		
	Proceeds from issue of share capital	-	1.02
	Proceeds from share application money pending allotment	1.94	-
	Proceeds from non-current borrowings	166.56	181.55
	Repayment of non-current borrowings	(207.36)	(187.41)
	Proceeds from current borrowings	7,495.08	10,508.64
	Repayment of current borrowings	(7,140.44)	(11,271.83)
	Payment made towards lease liabilities	(1.53)	(0.99)
	Interest paid	(158.71)	(171.27)
	Net cash generated from/(used in) financing activities (C)	155.54	(940.29)
	Net increase in cash and cash equivalents (A+B+C)	114.48	192.25
	Cash and cash equivalents at the beginning of the period	90.72	43.03
	Cash and cash equivalents at the end of the period	205.20	235.28

PARADEEP PHOSPHATES LTD. *

Notes:

1 The above standalone financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 28 October 2024. The limited review of these standalone financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.

2 Pursuant to the scheme of merger dated 07 February 2024, the Board considered and approved a composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company"), the Company and their respective creditors and shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 ("Companies Act") and other applicable laws, for, inter alia, the amalgamation of the Transferor Company with and into the Company by way of a merger. Necessary accounting effect of the scheme would be given in due course upon receipt of requisite approvals.

3 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.

For and behalf of Board of Directors of
Paradeep Phosphates Limited

Suresh Krishnan

N. Suresh Krishnan
Managing Director
(DIN:0021965)
Date - 28 October 2024
Place : Bengaluru

PARADEEP PHOSPHATES LTD. *

B S R & Co. LLP
Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No 5, Block - DP
Sector V, Salt Lake, Kolkata – 700091
Tel: +91 33 4035 4200
Fax: +91 33 4035 4295

Limited Review Report on unaudited consolidated financial results of Paradeep Phosphates Limited for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Paradeep Phosphates Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Paradeep Phosphates Limited (hereinafter referred to as "the Company"), and its share of the net loss and total comprehensive income of its associate for the quarter ended 30 September 2024 and year to date results for the period from 1 April 2024 to 30 September 2024 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the associate, Zuari Yoma Agri Solutions Limited.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. LLP
KOLKATA
Chartered Accountants

Limited Review Report *(Continued)*

Paradeep Phosphates Limited

6. The Statement also includes the Company's share of net profit / (loss) of Rs. 0.17 crore and Rs. (0.78) crore and total comprehensive income of Rs. 0.02 crore and Rs. 0.03 crore, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively, as considered in the Statement, in respect of its associate, based on its financial information which has not been reviewed. According to the information and explanations given to us by the management, this financial information is not material to the Company.

   Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

B S R & Co. LLP KOLKATA Chartered Accountants

Jayanta Mukhopadhyay
Partner

Kolkata
28 October 2024

Membership No.: 055757
UDIN:24055757BKEYNA4368

PARADEEP PHOSPHATES LIMITED
Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020
STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Crores)

Particulars	Consolidated	
	As at 30 September 2024 (Unaudited)	As at 31 March 2024 (Audited)
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	3,308 85	3,353 18
(b) Right-of-use assets	16 71	17 91
(c) Capital work-in-progress	414 71	372 19
(d) Goodwill	58 07	58 07
(e) Intangible assets	2 18	1 84
(f) Equity accounted investment	3 27	3 25
(g) Other income tax assets (net)	56 21	59 50
(h) Other non-current assets	41 58	38 29
Total non-current assets	**3.901.58**	**3.904.23**
II. Current assets		
(a) Inventories	2,492 90	1,830 83
(b) Financial Assets		
(i) Investments	696 55	
(ii) Trade receivables	2,435 15	2,720 48
(iii) Cash and cash equivalents	205 20	90 72
(iv) Bank balances other than (iii) above	336 69	27 31
(v) Other financial assets	322 27	504 19
(c) Other current assets	666 21	583 14
(d) Asset classified as held for sale	0 23	0 23
Total current assets	**7.155.20**	**5,756.90**
Total assets (I+II)	**11.056.78**	**9.661.13**
EQUITY AND LIABILITIES		
I. Equity		
(a) Equity share capital	814 78	814 78
(b) Other equity	2.944 46	2.749 62
Total equity	**3.759.24**	**3.564.40**
II. Liabilities		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	643 79	676 51
(ii) Lease liabilities	16 19	17 22
(b) Provisions	24 79	26 21
(c) Deferred tax liabilities (net)	167 97	150 85
Total non-current liabilities	**852.74**	**870.79**
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3.683 93	3,317 87
(ii) Lease liabilities	2 35	2 11
(iii) Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises	18 89	9 30
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,222 71	1,478 83
(iv) Other financial liabilities	259 57	224 55
(b) Other current liabilities	145 26	120 20
(c) Provisions	77 76	72 85
(d) Current tax liabilities (net)	34 33	0 23
Total current liabilities	**6.444.80**	**5,225.94**
Total liabilities	**7.297.54**	**6,096.73**
Total equity and liabilities (I+II)	**11.056.78**	**9.661.13**

PARADEEP PHOSPHATES LIMITED

Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2024

(Rs. in Crores)

Sr No	Particulars	Quarter ended 30 September 2024	Quarter ended 30 June 2024	Quarter ended 30 September 2023	Six months ended 30 September 2024	Six months ended 30 September 2023	Year ended 31 March 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	(a) Revenue from operations	3,843.84	2,377.43	3,683.02	6,221.27	6,737.35	11,575.12
	(b) Other Income	14.91	19.21	10.99	34.12	30.17	68.84
	Total income	**3,858.75**	**2,396.64**	**3,694.01**	**6,255.39**	**6,767.52**	**11,643.96**
2	**Expenses**						
	(a) Cost of raw materials consumed	2,233.57	1,716.18	2,017.69	3,949.75	4,460.49	7,609.04
	(b) Purchase of stock-in-trade	640.92	396.38	154.81	1,037.30	831.86	1,055.09
	(c) Change in inventories of finished goods, stock-in-trade and work in progress	(49.03)	(390.64)	734.02	(439.67)	185.49	334.32
	(d) Employee benefits expense	61.49	58.00	57.81	119.49	116.05	229.79
	(e) Finance costs	81.87	90.89	95.94	172.76	188.30	366.03
	(f) Depreciation and amortisation expenses	62.63	61.23	50.68	123.86	97.70	210.67
	(g) Other expenses#	531.50	450.44	462.69	981.94	926.02	1,698.86
	Total expenses	**3,562.95**	**2,382.48**	**3,573.64**	**5,945.43**	**6,805.91**	**11,503.80**
3	**Profit before share of (loss)/profit from associate and tax (1-2)**	295.80	14.16	120.37	309.96	(38.39)	140.16
4	**Share of (loss)/profit from associate**	0.17	(0.95)	(0.00)	(0.78)	(0.53)	0.67
5	**Profit/(Loss) for the period/year (3-4)**	**295.97**	**13.21**	**120.37**	**309.18**	**(38.92)**	**140.83**
6	**Tax expense**						
	(a) Current tax	65.26	-	-	65.26	-	-
	(b) Income tax credit of earlier period/years	(6.72)	-	-	(6.72)	-	(2.80)
	(c) Deferred tax charge/(credit)	9.80	7.83	30.94	17.63	(8.41)	43.72
	Total tax expense (a+b+c)	**68.34**	**7.83**	**30.94**	**76.17**	**(8.41)**	**40.92**
7	**Profit/(Loss) for the period/year (5-6)**	**227.63**	**5.38**	**89.43**	**233.01**	**(30.51)**	**99.91**
8	**Other comprehensive income/(loss) (net of tax)**						
	A Items that will be reclassified to profit or loss						
	Exchange differences on translation of foreign operations	(0.15)	0.96	0.04	0.81	0.56	(0.57)
	B Items that will not be reclassified to profit or loss in subsequent period/year, net of tax						
	Re-measurement gains/(losses) on defined benefit plans	(2.78)	0.74	1.42	(2.04)	0.11	(2.59)
	Income tax effect on above	0.70	(0.19)	(0.36)	0.51	(0.03)	0.65
	Total other comprehensive income/(loss)	**(2.23)**	**1.51**	**1.10**	**(0.72)**	**0.64**	**(2.51)**
9	**Total comprehensive income/(Loss) for the period/year, net of tax(7+8)**	**225.40**	**6.89**	**90.53**	**232.29**	**(29.87)**	**97.40**
	Profit attributable to:						
	Owners of the company	227.63	5.38	89.43	233.01	(30.51)	99.91
	Other comprehensive income attributable to:						
	Owners of the company	(2.23)	1.51	1.10	(0.72)	0.64	(2.51)
	Total comprehensive income attributable to:						
	Owners of the company	225.40	6.89	90.53	232.29	(29.87)	97.40
10	Paid up equity share capital(nominal value of Rs 10 each)						814.78
11	Other equity						2,749.62
12	**Earnings per equity share (EPS) (Rs.10 each) ***						
	(a) Basic (Rs.)	2.79	0.07	1.10	2.86	(0.37)	1.22
	(b) Diluted (Rs.)	2.79	0.07	1.10	2.86	(0.37)	1.22

* EPS for the quarters ended 30 September 2024, 30 June 2024 and 30 September 2023 and six months ended 30 September 2024 and 30 September 2023 is not annualised.

\# includes donation of Rs 15 crores made to an electoral trust during the quarter ended 30 June 2024.

PARADEEP PHOSPHATES LIMITED

Regd. Office : 5th Floor, Bayan Bhawan, Pt J N Marg, Bhubaneswar -751 001, CIN -L24129OR1981PLC001020

STATEMENT OF UNAUDITED CONSOLIDATED CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Rs. in Crores)

		Six months ended 30 September 2024 (Unaudited)	Six months ended 30 September 2023 (Unaudited)
A.	**Cash Flow from Operating Activities**		
	Profit/(loss) before Tax	309.18	(38.92)
	Adjustments for:		
	Depreciation and amortisation expenses	123.86	97.70
	Finance costs	154.72	163.17
	Interest income	(3.73)	(3.19)
	Loss on sale / discard of property, plant and equipment (net)	7.03	10.28
	Profit on sale of current investments	(1.90)	(1.07)
	Loss allowance	1.37	0.87
	Bad debts, claims and advances written off	0.34	0.07
	Unspent liabilities/provision no longer required written back	(5.44)	(17.41)
	Foreign exchange fluctuation loss unrealized (net)	(0.55)	16.81
	Employee share based compensation expense	1.36	0.60
	Share of loss from associate	0.78	0.53
	Operating cash flow before working capital changes	587.02	229.44
	Adjustments for:		
	(Increase)/decrease in inventories	(662.07)	312.10
	Decrease in trade receivables, loans and advances and other current assets	284.44	1,047.43
	Decrease in financial and other assets	101.23	91.78
	Decrease/(increase) in trade payables, other current liabilities	790.56	(252.80)
	Decrease/(increase) in provisions	1.45	(0.05)
	Cash generated from operations	1,102.63	1,427.90
	Income taxes paid (net of refunds)	(21.15)	(56.61)
	Net cash generated from operating activities (A)	1,081.48	1,371.29
B.	**Cash flows from investing activities**		
	Proceeds from sale of property, plant and equipment	0.02	0.16
	Acquisition of property, plant and equipment, including capital work in progress, capital advances and capital creditors	(120.94)	(218.07)
	Investments in current investments - mutual funds	(1,403.93)	(1,171.94)
	Proceeds from sale of current investments - mutual funds	709.27	1,173.01
	Interest received	2.12	2.31
	Investment in deposits/other earmarked balances	(309.08)	(24.22)
	Net cash flow used in investing activities (B)	(1,122.54)	(238.75)
C.	**Cash flow from financing activities**		
	Proceeds from issue of share capital	-	1.02
	Proceeds from share application money pending allotment	1.94	-
	Proceeds from non-current borrowings	166.56	181.55
	Repayment of non-current borrowings	(207.36)	(187.41)
	Proceeds from current borrowings	7,495.08	10,508.64
	Repayment of current borrowings	(7,140.44)	(11,271.83)
	Payment made towards lease liabilities	(1.53)	(0.99)
	Interest paid	(158.71)	(171.27)
	Net cash generated from/(used in) financing activities (C)	155.54	(940.29)
	Net increase in cash and cash equivalents (A+B+C)	114.48	192.25
	Cash and cash equivalents at the beginning of the period	90.72	43.03
	Cash and cash equivalents at the end of the period	205.20	235.28

PARADEEP PHOSPHATES LTD. *

Notes:

1 The above consolidated financial results were reviewed by the audit committee and approved by the Board of Directors in their respective meetings held on 28 October 2024. The limited review of these consolidated financial results, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the statutory auditors of the Company.

2 Pursuant to the scheme of merger dated 07 February 2024, the Board considered and approved a composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company"), the Company and their respective creditors and shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 ("Companies Act") and other applicable laws, for, inter alia, the amalgamation of the Transferor Company with and into the Company by way of a merger. Necessary accounting effect of the scheme would be given in due course upon receipt of requisite approvals.

3 The Company's operations fall within a single business segment "Fertilisers and Other Trading Materials". Hence, no separate segment information is disclosed.

For and behalf of Board of Directors of
Paradeep Phosphates Limited

Suresh Krishnan

N. Suresh Krishnan
Managing Director
(DIN:0021965)
Date - 28 October 2024
Place : Bengaluru

PARADEEP PHOSPHATES LTD. *

Annexure 2 - Details under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

	Details
Existing capacity;	0.5 MMTPA
Existing capacity utilization;	100% for existing capacities
Proposed capacity addition	0.2 MMTPA (from 0.5 MMTPA to 0.7 MMTPA)
Period within which the proposed capacity is to be added;	September 2026
Investment required	INR 250 crore
Mode of financing	Internal source and potential external financing options
Rationale	To ensure 100% backward integration for fertilizer production, reduce import dependency, and enhance operational capabilities and profitability.

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

Independent Auditors' Report

To the Members of Mangalore Chemicals & Fertilizers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mangalore Chemicals & Fertilizers Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of Profit and profit including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ("ICAI") 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 22(g), which states that the Company had recognized urea subsidy income of INR 2,914 lakhs in during the financial year 2020-21 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.

We draw attention to Note 40 of the financial statements which describes about the proposed merger of the Company with Paradeep Phosphates Limited on a going concern basis. As at the date of approval of the financial statements, the Company is in the process of filing of the Scheme with Hon'ble National Company Law Tribunal (the "NCLT").

Our opinion is not modified in respect of these matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

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REGISTRATION NO. WITH ICAI IS 003990S/S200018

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.

Sl. No	Key Audit Matter (Refer Note 9 and 22 to the financial statements)	How our audit addressed the Key Audit Matter
1.	**Impact of government policies / notifications on recognition of concession income and its recoverability** 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 2,51,026.70 Lakhs and as at 31 March 2024 has receivables of INR 45,091.91 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 and the positions based on various litigations thereof 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. • Performed substantive procedures to understand and validate the basis of computation of concession income with underlying notifications and policies. • 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.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report, corporate governance, Management Discussion & Analysis Report and business responsibility and sustainability report but does not include the Financial Statements and our auditors' 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 the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of Directors for Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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 financial 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 the 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 the Management.

- Conclude on the appropriateness of Management and Board of Directors 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Attention is also drawn to the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements – Refer Note 7 and 35 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 during the year ended 31 March 2024

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

(c) Based on such audit procedures that we have 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 mis-statement.

v. The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 13 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Relying on representations/explanations from the company and software vendor and based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares, except for the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of accounts.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545
ICAI UDIN: 24208545BKAEMV7437

Place of Signature: Bangalore
Date: 23rd May 2024

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Mangalore Chemicals & Fertilizers Limited ("the Company") on the Financial Statements as of and for the year ended 31 March 2024.

(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) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, 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 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 and hence this clause is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

a) The inventory except goods in transit has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.In respect of goods-in-transit, subsequent goods receipts have been verified. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such physical verification.

b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.

(iii) Based on our audit procedures and according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) (a) to (f) of the Order is not applicable to the Company.

(iv) Based on our audit procedures and according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act in respect of the products/services of the Company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount demanded (In Lakhs)	Amount paid (In Lakhs)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	358.04	52.89	FY 2013-14	The High Court of Karnataka
The Central Excise Act, 1944	Excise duty	638.96	23.96	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Entry tax	414.18	-	FY 2011-12	The High Court of Karnataka
The Customs Act, 1962	Customs duty	315.09	9.17	FY 2011-12 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	87.61	4.38	FY 2016-17	Commissioners of Customs, Nhava Sheva
The Customs Act, 1962	Customs duty	22.00	-	FY 2017-18	Additional Commissioners of Customs, Nhava Sheva
The Customs Act, 1962	Customs duty	44.97	-	FY 2017-18	Commissioner of Customs, Vijayawada
The Customs Act, 1962	Customs duty	74.93	-	FY 2018-19	Additional Commissioners of Customs, Nhava Sheva
The Finance Act, 1994	Service tax	15.49	1.14	FY 2012-13 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal

(viii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

(a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the company.

(c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to 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) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by secretarial auditor or by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.

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

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors of the Company issued till date for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 the 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) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) Based on our audit procedures and according to the information and explanations given to us, the company is not required to transfer unspent amount under sub-section (5) of section 135 of the said Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135 of the said Act. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545
ICAI UDIN: 24208545BKAEMV7437

Place of Signature: Bangalore
Date: 23rd May 2024

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to Financial Statements of Mangalore Chemicals & Fertilizers Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date

Management's and Board of Directors' Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545
ICAI UDIN: 24208545BKAEMV7437

Place of Signature: Bangalore
Date: 23rd May 2024

Mangalore Chemicals and Fertilizers Limited
Balance Sheet as at March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,06,580.61	1,05,970.52
Capital work-in-progress	3A	1,117.25	1,408.49
Right-of-use assets	3B	1,543.94	1,620.84
Intangible assets	4	104.18	107.24
Financial assets			
(i) Investments	5	-	-
(ii) Others	6	588.74	594.71
Income tax assets (net)		99.75	144.08
Other non-current assets	7	2,521.62	627.64
		1,12,556.09	**1,10,473.52**
Current assets			
Inventories	8	16,855.85	24,113.96
Financial assets			
(i) Investments	5	0.10	0.10
(ii) Trade receivables	9	60,425.82	75,724.26
(iii) Cash and cash equivalents	10	27,942.94	32,979.95
(iv) Other bank balances	11	4,886.42	3,605.39
(v) Others	6	5,480.99	5,982.83
Other current assets	7	14,894.71	13,034.94
		1,30,486.83	**1,55,441.43**
Total assets		**2,43,042.92**	**2,65,914.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	11,854.87	11,854.87
Other equity	13	82,113.55	68,463.95
Total equity		**93,968.42**	**80,318.82**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	29,880.96	35,667.55
(ii) Lease liabilities	15	1,862.23	1,886.60
(iii) Others	16	-	-
Provisions	17	1,272.19	1,180.60
Deferred tax liabilities (net)	18	10,396.26	6,149.86
		43,411.64	**44,884.61**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	72,063.77	1,00,099.37
(ii) Lease liabilities	15	55.32	36.07
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	1,115.11	4,582.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	13,802.30	19,674.70
(iv) Others	16	15,153.08	12,820.50
Liabilities for current tax (net)		752.42	439.33
Other current liabilities	21	1,627.44	1,941.22
Provisions	17	1,093.42	1,117.67
Total liabilities		**1,05,662.86**	**1,40,711.52**
Total equity and liabilities		**2,43,042.92**	**2,65,914.95**

MANGALORE CHEMICALS & FERTILIZERS
BANGALORE

	Notes
Summary of material 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration Number: 003990S S200018

Seethalakshmi M
Partner
Membership Number: 208545

Place of Signature: Bangalore
Date: May 23, 2024

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

Akshay Poddar
Chairman
DIN: 00008686

Nitin M Kantak
Whole-time Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary

Date: May 23, 2024

MANGALORE CHEMICALS & FERTILIZERS LTD.
BANGALORE

Mangalore Chemicals and Fertilizers Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from contracts with customers	22	3,79,544.16	3,64,152.40
Other income	23	4,126.20	3,064.62
Total income		**3,83,670.36**	**3,67,217.02**
EXPENSES			
Cost of materials consumed	24	1,85,488.98	1,99,625.52
Purchases of traded goods	25	47,051.99	25,813.56
Changes in inventories of finished goods, work-in-progress and traded goods	26	3,483.78	11,842.37
Employee benefits expense	27	6,782.89	6,917.18
Finance costs	28	10,492.99	10,437.76
Depreciation and amortisation expense	29	7,157.77	5,967.50
Other expenses	30	99,144.94	89,010.54
Total expenses		**3,59,603.34**	**3,49,614.43**
Profit before tax		**24,067.02**	**17,602.59**
Tax expense	31		
Current tax / Minimum Alternate Tax		4,310.00	3,077.00
Deferred tax charge / (credit)		4,275.50	1,060.08
Total tax expense		**8,585.50**	**4,137.08**
Profit for the year		**15,481.52**	**13,465.51**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gains on defined benefit plan		(83.30)	(48.42)
Income tax effect on above		29.11	16.92
Total other comprehensive (loss)/income		**(54.19)**	**(31.50)**
Total comprehensive income for the year		**15,427.33**	**13,434.01**
Earnings per equity share (in INR) **[nominal value per share INR 10 (Previous year: INR 10)]**	32		
Basic		13.06	11.36
Diluted		13.06	11.36
Summary of material 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership Number: 208545

Place of Signature: Bangalore
Date: May 23, 2024

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

Akshay Poddar
Chairman
DIN: 00008686

Nitin M Kantak
Whole-time Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary

Date: May 23, 2024

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

Mangalore Chemicals and Fertilizers Limited
Statement of Cash Flows for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
A Operating activities			
Profit before tax		24,067.02	17,602.59
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	29	7,157.77	5,967.50
Net loss on disposal of property, plant and equipment	30	577.78	521.96
Impairment of capital work in progress		120.20	-
Provision for impairment of other assets	30	1,233.65	-
Fair value loss/(gain) on financial instruments at fair value through profit or loss		(222.34)	(245.25)
Unrealised foreign exchange differences (net)		38.08	(90.26)
Finance costs	28	10,492.99	10,437.76
Interest income	23	(3,291.72)	(2,522.18)
Provisions no longer required written back	23	(656.33)	(389.08)
Operating profits before working capital changes		**39,517.10**	**31,283.04**
Working capital changes:			
(Increase)/decrease in Inventories		7,258.11	18,863.51
(Increase)/decrease in Trade receivables		15,298.44	(9,221.49)
(Increase)/decrease in Other financial assets		1,144.07	(57.25)
(Increase)/decrease in Other assets		(3,059.34)	(2,705.44)
(Decrease)/increase in Trade payables		(9,336.14)	(16,131.79)
(Decrease)/increase in Other financial liabilities		2,430.18	50.18
(Decrease)/increase in Other current liabilities and provisions		326.59	643.90
		14,061.91	**(8,558.38)**
Cash generated from/ (used in) operations		**53,579.01**	**22,724.66**
Income tax paid		(3,952.58)	(3,512.66)
Net cash flow from/(used in) operating activities (A)		**49,626.43**	**19,212.00**
B Investing activities			
Purchase of property, plant and equipment including capital work-in-progress and capital advances		(9,808.51)	(30,529.41)
Proceeds from sale of property, plant and equipment		191.99	228.48
Investments in bank deposits (having original maturity of more than three months)		(13,057.79)	(3,237.40)
Redemption/maturity of bank deposits (having original maturity of more than three months)		11,800.21	7,143.66
Interest received		2,630.39	2,093.71
Net cash flow from/(used in) investing activities (B)		**(8,243.71)**	**(24,300.96)**
C Financing activities			
Proceeds from long-term borrowings		204.89	23,320.59
Repayment of long-term borrowings		(9,192.49)	(6,989.69)
Payment of principal portion of lease haiblities		(45.59)	(33.59)
Payment of interest portion of lease haiblities		(198.24)	(202.05)
Proceeds from/(repayment of) short-term borrowings (net)		(24,876.48)	(14,723.38)
Finance cost paid		(10,534.09)	(10,087.99)
Dividend paid to equity shareholders	13	(1,777.73)	(1,422.18)
Net cash flow (used in)/ from financing activities (C)		**(46,419.73)**	**(10,138.29)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(5,037.01)**	**(15,227.25)**
Cash and cash equivalents at the beginning of the year	10	32,979.95	48,207.20
Cash and cash equivalents at the end of the year		**27,942.94**	**32,979.95**

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of cash and cash equivalents	10		
Cash on hand		2.03	2.26
Bank balances on current accounts		10,190.91	3,302.69
Bank balances on deposit accounts with original maturity of three months or less		17,750.00	29,675.00
Total cash and cash equivalents		**27,942.94**	**32,979.95**

The summary of changes in liabilities arising from financing activities is as below

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Non current borrowings (including current maturities)			
At beginning of the year	14	44,938.78	28,607.88
Cash flow changes		(8,987.60)	16,330.90
Non-cash changes (foreign currency exchange difference)		-	-
At end of the year	14	**35,951.18**	**44,938.78**
Current borrowings (excluding current maturities of long term borrowings)			
At beginning of the year	19	90,828.14	1,05,553.72
Cash flow changes		(24,876.48)	(14,723.38)
Non-cash changes (foreign currency exchange difference)		41.89	(2.20)
At end of the year	19	**65,993.55**	**90,828.14**
Lease Liabilities (including current maturities)			
At beginning of the year	15	1,922.67	2,113.75
Cash flow changes		(45.59)	(33.59)
Non-cash changes		40.47	(157.49)
At end of the year	15	**1,917.55**	**1,922.67**

	Notes
Summary of material 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership Number: 208545

Place of Signature: Bangalore
Date: May 23, 2024

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

Akshay Poddar
Chairman
DIN: 00008686

Nitin M Kantak
Whole-time Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary

Date: May 23, 2024

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

Mangalore Chemicals and Fertilizers Limited
Statement of changes in Equity for the year ended March 31, 2024
(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, 2024		For the year ended March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	11,85,15,150	11,851.52	11,85,15,150	11,851.52
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	11,85,15,150	11,851.52	11,85,15,150	11,851.52
Changes during the year	-	-	-	-
At the end of the year	**11,85,15,150**	**11,851.52**	**11,85,15,150**	**11,851.52**

In addition to above, equity share capital as at March 31, 2024 includes Forfeited Shares (amount paid-up) of INR 3.35 Lakhs (March 31, 2023: 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, 2022	480.78	5,385.71	50,585.63	56,452.12
Changes in accounting policy / prior period errors	-	-	-	-
Profit for the year	-	-	13,465.51	13,465.51
Other comprehensive income	-	-	(31.50)	(31.50)
Total comprehensive income	-	-	13,434.01	13,434.01
Cash dividends (Refer Note 13)	-	-	(1,422.18)	(1,422.18)
Balance as at March 31, 2023	**480.78**	**5,385.71**	**62,597.46**	**68,463.95**
Balance as at April 1, 2023	480.78	5,385.71	62,597.46	68,463.95
Changes in accounting policy / prior period errors	-	-	-	-
Profit for the year	-	-	15,481.52	15,481.52
Other comprehensive income	-	-	(54.19)	(54.19)
Total comprehensive income	-	-	15,427.33	15,427.33
Cash dividends (Refer Note 13)	-	-	(1,777.73)	(1,777.73)
Balance as at March 31, 2024	**480.78**	**5,385.71**	**76,247.06**	**82,113.55**

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.

MANGALORE CHEMICALS & FERTILIZERS LTD. ★ BANGALORE

Summary of material 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership Number: 208545

Place of Signature: Bangalore
Date: May 23, 2024

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

Akshay Poddar
Chairman
DIN: 00008686

Nitin M Kantak
Whole-time Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary

Date: May 23, 2024

MANGALORE CHEMICALS & FERTILIZERS LTD.
BANGALORE

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 560001, 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 23, 2024.

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 material 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, 2023 as stated in Note 2.3.

2.1 Summary of material 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.

MANGALORE CHEMICALS & FERTILIZERS LTD.* BANGALORE

(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 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.

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

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 towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of contract. 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 dispatch 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 towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as a part of contract.

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)

MANGALORE CHEMICALS & FERTILIZERS LTD.★ MANGALORE

(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) 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.

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

(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 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.

MANGALORE CHEMICALS & FERTILIZERS LTD.★ BANGALORE

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

(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.

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

	Useful life (years)
Buildings	5 to 60
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 and 15
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 equipment are estimated as 2 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 3 to 5 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.

MANGALORE CHEMICALS & FERTILIZERS LTD.★ BANGALORE

(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.

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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) 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 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.

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.

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(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 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.

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(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 restrueturing 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:

- 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.

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(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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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:

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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.

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.

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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.

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.

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

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.

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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 has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023:

(i) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. "

(ii) Ind AS 1 - Presentation of Financial Statements
The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements."

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(iii) Ind AS 12- Income Taxes
The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

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

2.4 Standards issued but not yet effective

There are no standards or amendments issued on or before March 31,2024 but not effective, which may have any material impact on the Ind AS financial statements of the Company

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3A Property, plant and equipment

	Cost				Depreciation				Net book value
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	On Disposals	As at March 31, 2024	As at March 31, 2024
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,100.96	-	-	5,100.96	1,213.40	155.25	-	1,368.65	3,732.31
Railway sidings	733.07	-	-	733.07	388.02	59.45	-	447.47	285.60
Roads, drainage and culverts	412.48	37.43	0.04	449.87	255.34	17.19	-	272.53	177.34
Plant and equipment [(a)]	1,21,508.89	7,821.30	1,878.61	1,27,451.58	27,258.54	6,622.17	1,120.68	32,760.03	94,691.55
Electrical installations and fittings	244.70	-	-	244.70	174.52	16.55	-	191.07	53.63
Office equipment	446.69	39.67	1.92	484.44	291.75	34.63	1.68	324.70	159.74
Furniture and fixtures	312.63	15.73	0.20	328.16	210.02	17.76	0.16	227.62	100.54
Cranes and locomotives	206.99	47.03	-	254.02	146.40	13.99	-	160.39	93.63
Vehicles - Owned	272.30	408.94	28.61	652.63	147.99	53.25	17.09	184.15	468.48
Total	**1,36,056.50**	**8,370.10**	**1,909.38**	**1,42,517.22**	**30,085.98**	**6,990.24**	**1,139.61**	**35,936.61**	**1,06,580.61**

	Opening	Additions	Capitalised	Impairment	Closing
Capital work-in-progress [(a)]	**1,408.49**	**8,199.06**	**8,370.10**	**120.20**	**1,117.25**

Previous year

	Cost				Depreciation				Net book value
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
Freehold land	6,817.79	-	-	6,817.79	-	-	-	-	6,817.79
Buildings	5,227.26	-	126.30	5,100.96	1,121.45	156.45	64.50	1,213.40	3,887.56
Railway sidings	733.07	-	-	733.07	328.57	59.45	-	388.02	345.05
Roads, drainage and culverts	428.47	-	15.99	412.48	249.50	20.60	14.76	255.34	157.14
Plant and equipment [(a)]	66,563.69	57,097.26	2,152.06	1,21,508.89	23,290.81	5,449.37	1,481.64	27,258.54	94,250.35
Electrical installations and fittings	259.06	-	14.36	244.70	169.50	17.55	12.53	174.52	70.18
Office equipment	390.23	65.34	8.88	446.69	263.08	30.22	1.55	291.75	154.94
Furniture and fixtures	366.08	4.60	58.05	312.63	243.59	18.87	52.44	210.02	102.61
Cranes and locomotives	207.07	-	0.08	206.99	126.78	19.68	0.06	146.40	60.59
Vehicles - Owned	219.71	61.70	9.11	272.30	124.81	30.09	6.91	147.99	124.31
Total	**81,212.43**	**57,228.90**	**2,384.83**	**1,36,056.50**	**25,918.09**	**5,802.28**	**1,634.39**	**30,085.98**	**1,05,970.52**

	Opening	Additions	Capitalised	Impairment	Closing
Capital work-in-progress [(a)]	**31,738.51**	**26,898.88**	**57,228.90**	**-**	**1,408.49**

(a) Plant and machinery and capital work-in-progress additions during the period includes INR Nil Lakhs (March 31, 2023 : INR 1,331.91 Lakhs) and INR 96.94 Lakhs (March 31, 2023 : INR 17.97 Lakhs), respectively, towards capitalisation of borrowing cost. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.49% (March 31, 2023 : 9.27%), which is the weighted average interest rate of borrowings.

(b) Refer Note 14 and 19 for details of property, plant and equipment pledged as security.

(c) **Capital work in progress (CWIP) Ageing Schedule**

As at March 31, 2024

	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	1,117.25	-	-	-	1,117.25
Projects temporarily suspended	-	-	-	-	-
Total	**1,117.25**	-	-	-	**1,117.25**

As at March 31, 2023

	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	830.60	451.21	4.22	2.26	1,288.29
Projects temporarily suspended	-	-	3.54	116.66	120.20
Total	**830.60**	**451.21**	**7.76**	**118.92**	**1,408.49**

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MANGALORE CHEMICALS & FERTILIZERS LTD.

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

3B Right-of-use assets

	Cost				Depreciation				Net book value
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	On Disposals	As at March 31, 2024	As at March 31, 2024
Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	386.10	96.53	-	482.63	1,507.31
Right-of-use buildings (Refer Note 33)	43.12	40.47	1.89	81.70	26.12	20.84	1.89	45.07	36.63
Total	**2,033.06**	**40.47**	**1.89**	**2,071.64**	**412.22**	**117.37**	**1.89**	**527.70**	**1,543.94**

Previous year

	Cost				Depreciation				Net book value
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
Right-of-use land (Refer Note 33)	1,989.94	-	-	1,989.94	289.58	96.52	-	386.10	1,603.84
Right-of-use buildings (Refer Note 33)	233.10	-	189.98	43.12	74.05	15.42	63.35	26.12	17.00
Total	**2,223.04**	**-**	**189.98**	**2,033.06**	**363.63**	**111.94**	**63.35**	**412.22**	**1,620.84**

4. Intangible assets

	Cost				Amortisation				Net book value
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	For the year	On Disposals	As at March 31, 2024	As at March 31, 2024
Computer software	355.51	47.10	-	402.61	248.27	50.16	-	298.43	104.18
Total	**355.51**	**47.10**	**-**	**402.61**	**248.27**	**50.16**	**-**	**298.43**	**104.18**

Previous year

	Cost				Amortisation				Net book value
	As at April 1, 2022	Additions	Disposals	As at March 31, 2023	As at April 1, 2022	For the year	On Disposals	As at March 31, 2023	As at March 31, 2023
Computer software	302.89	52.62	-	355.51	194.99	53.28	-	248.27	107.24
Total	**302.89**	**52.62**	**-**	**355.51**	**194.99**	**53.28**	**-**	**248.27**	**107.24**

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

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
5. Financial assets - Investments				
(Unquoted)				
Investments at fair value through profit or loss				
Bangalore Beverages Limited [200,000 (March 31, 2023 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	(20,000.00)	(20,000.00)	-	-
Aditya Birla Sun Life Low Duration Fund - Growth Regular Plan [22,199 (March 31, 2023 22,199) units of INR 600.96 (March 31, 2023 INR 561.95) 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	-	-

6. Financial assets - Others

	Non-current		Current	
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges*	-	-	1.54	26.61
Financial assets at amortised cost				
Security deposits	588.74	594.71	-	-
Rebate / discount receivable from suppliers	-	-	235.10	938.31
Other receivable	-	-	395.79	518.86
Less: Provision for impairment of other asset	-	-	(311.82)	-
Interest accrued on deposits and receivables				
Related parties (Refer Note 38)	-	-	5,096.63	4,348.45
Others	-	-	63.75	150.60
Total	**588.74**	**594.71**	**5,480.99**	**5,982.83**

*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

	Non-current		Current	
Unsecured, considered good				
Capital advances	2,241.13	313.07	-	-
Advances other than capital advances				
Advance to suppliers	-	-	202.34	181.52
Employees and other advances	-	-	15.55	5.73
Prepaid expenses	280.49	314.57	1,647.49	1,446.95
Goods and Services Tax (GST) refund receivable	-	-	11,379.12	8,929.24
Balance with statutory / government authorities	-	-	1,650.21	2,471.50
	2,521.62	**627.64**	**14,894.71**	**13,034.94**
Unsecured, Credit impaired				
Advances other than capital advances				
Advances to United Breweries (Holdings) Limited	1,668.20	1,668.20	-	-
Balance with statutory / government authorities	-	-	2,077.05	1,155.22
Less: Provision for impairment of other asset	(1,668.20)	(1,668.20)	(2,077.05)	(1,155.22)
	-	-	-	-
Total	**2,521.62**	**627.64**	**14,894.71**	**13,034.94**

(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

(b) The GST authorities have denied and recalled refund of certain GST Credits and the Board of Directors of the company, based on the legal opinion, considered that the refunds are in accordance with the law, the matter is currently sub-judice and no quantification is made

Mangalore Chemicals and Fertilizers Limited
Notes to the Ind AS financial statements for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
8. Inventories		
(valued at lower of cost and net realisable value)		
Raw materials and packing materials	10,029.59	13,851.83
[includes in transit - INR 33.36 Lakhs (March 31, 2023: INR 968.84 Lakhs)]		
Work-in-progress	1,357.12	196.73
Finished goods	1,691.49	1,850.61
Traded goods [includes in transit INR Nil (March 31, 2023: INR Nil Lakhs)]	250.38	4,735.43
Stores and spares [includes in transit INR 100.00 Lakhs (March 31, 2023: INR 30.65 Lakhs)]	3,527.27	3,479.36
Total	**16,855.85**	**24,113.96**

Refer Note 19 for details of charge

9. Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables	52,000.96	67,439.85
Receivables from related parties (Refer Note 38)	8,424.86	8,284.41
Total	**60,425.82**	**75,724.26**
Break-up for security details:		
Trade receivables		
Secured, considered good	4,544.63	4,675.37
Unsecured, considered good	55,881.19	71,048.89
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1,057.03	1,646.61
	61,482.85	**77,370.87**
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	(1,057.03)	(1,646.61)
	60,425.82	**75,724.26**

(a) Trade receivables include concession/subsidy receivable from the Government of India of INR 45,091.91 Lakhs (March 31, 2023: INR 63,358.47 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 the view that there are no receivables included above which have significant increase in credit risk other than that 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, 2024

	Current but not due*	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	33,809.80	15,234.49	8.59	0.93	31.47	8,426.54	57,511.82
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	15.22	1,041.81	1,057.03
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	33,809.80	15,234.49	8.59	0.93	2,960.69	9,468.35	61,482.85

* Includes unbilled subsidy outstanding of INR 26,514.37 Lakhs

As at March 31, 2023

	Current but not due**	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	37,376.42	26,574.89	136.56	200.11	2,729.17	5,793.11	72,810.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	16.51	89.02	1,541.08	1,646.61
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	**37,376.42**	**26,574.89**	**136.56**	**216.62**	**5,732.19**	**7,334.19**	**77,370.87**

** Includes unbilled subsidy outstanding of INR 31,776.03 Lakhs

(f) Refer Note 19 for details of charge.

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Notes to the Ind AS financial statements for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
10. Cash and cash equivalents		
Balances with banks		
- On current accounts	10,190.91	3,302.69
- On deposits accounts with original maturity of three months or less	17,750.00	29,675.00
Cash on hand	2.03	2.26
Total	**27,942.94**	**32,979.95**

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*	142.91	119.46
Bank deposits with original maturity of 12 months or less but more than 3 months	1,100.00	5.21
Margin money deposits	3,643.51	3,480.72
Total	**4,886.42**	**3,605.39**

* 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer Note 9)	-	-	60,425.82	75,724.26
Cash and cash equivalents (Refer Note 10)	-	-	27,942.94	32,979.95
Other bank balances (Refer Note 11)	-	-	4,886.42	3,605.39
Others (Refer Note 6)	588.74	594.71	5,479.45	5,956.22
Total	**588.74**	**594.71**	**98,734.63**	**1,18,265.82**

12. Equity share capital

Authorised share capital		
12,40,00,000 (March 31, 2023: 12,40,00,000) equity shares of INR 10 each	12,400.00	12,400.00
6,00,000 (March 31, 2023: 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, 2023: 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, 2023: 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, 2024		As at March 31, 2023	
	Nos.	INR in Lakhs	Nos.	INR in Lakhs
At the beginning of the year	11,85,15,150	11,851.52	11,85,15,150	11,851.52
Changes during the year	-	-	-	-
Outstanding at the end of the year	**11,85,15,150**	**11,851.52**	**11,85,15,150**	**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, 2024		As at March 31, 2023	
	Nos.	%	Nos.	%
Equity shares of INR 10 each fully paid				
Zuari Agro Chemicals Limited (Holding Company)	6,40,28,362	54.03%	6,40,28,362	54.03%

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

(d) Details of Shares held by Promoters of the Company

As at March 31, 2024

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	2,00,000	-	2,00,000	0.17%	0.00%
Jyotsna Poddar	1,57,152	-	1,57,152	0.13%	0.00%
Gaurav Agarwala	1,50,000	-	1,50,000	0.13%	0.00%
Akshay Poddar	14,02,431	-	14,02,431	1.18%	0.00%
Zuari Agro Chemicals Limited	6,40,28,362	-	6,40,28,362	54.03%	0.00%
Adventz Finance Private Limited	43,50,361	-	43,50,361	3.67%	0.00%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	12,57,186	-	12,57,186	1.06%	0.00%
Zuari Industries Limited	3,06,194	-	3,06,194	0.26%	0.00%
Total	**7,18,51,686**	**-**	**7,18,51,686**	**60.63%**	

As at March 31, 2023

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	2,00,000	-	2,00,000	0.17%	0.00%
Jyotsna Poddar	1,57,152	-	1,57,152	0.13%	0.00%
Gaurav Agarwala	1,50,000	-	1,50,000	0.13%	0.00%
Akshay Poddar	12,18,503	1,83,928	14,02,431	1.18%	0.16%
Zuari Agro Chemicals Limited	6,40,28,362	-	6,40,28,362	54.03%	0.00%
Adventz Finance Private Limited	43,50,361	-	43,50,361	3.67%	0.00%
United Breweries Holdings Limited	-	-	-	0.00%	0.00%
Kingfisher Finvest India Limited	-	-	-	0.00%	0.00%
Mcdowell Holdings Limited	12,57,186	-	12,57,186	1.06%	0.00%
Zuari Industries Limited	3,06,194	-	3,06,194	0.26%	0.00%
Total	**7,16,67,758**	**1,83,928**	**7,18,51,686**	**60.63%**	

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.

13. Other equity	**As at March 31, 2024**	**As at March 31, 2023**
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	62,597.46	50,585.63
Add: Profit for the year	15,481.52	13,465.51
Add: Other comprehensive (loss)/income	(54.19)	(31.50)
Less: Appropriations		
Final equity dividend [amount per share Re. 1.50 (Previous year: Re. 1.20 per share)]	1,777.73	1,422.18
Closing balance	**76,247.06**	**62,597.46**
Total Other Equity	**82,113.55**	**68,463.95**

*Includes INR 5,721.21 Lakhs as at March 31, 2024 (March 31, 2023: INR 5,762.19 Lakhs) relating to revaluation of property, plant and equipment

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Notes to the Ind AS financial statements for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Distribution made and proposed		
Dividends on equity shares declared and paid		
Dividend for the year ended March 31, 2023: Re 1.50 per share (Previous year: Re 1.20 per share)	1777.73	1,422.18
	1,777.73	**1,422.18**
Proposed dividends on equity shares		
Dividend for the year ended March 31, 2024: Re 1.50 per share (Previous year: Re 1.50 per share)	1,777.73	1,777.73
	1,777.73	**1,777.73**

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, 2024	As at March 31, 2023
Secured (at amortised cost)		
Indian currency term loans from banks	35,735.69	44,887.50
Indian currency vehicle loans from bank	215.49	51.28
Total	**35,951.18**	**44,938.78**
Less: Amount disclosed under the head "Current Borrowings" (Refer Note 19)	**(6,070.22)**	(9,271.23)
Non-current borrowings	**29,880.96**	**35,667.55**

Secured borrowings

Indian currency term loans

Term loan from a bank of INR 15,756.30 Lakhs (including current maturities of INR 2,424.47 Lakhs) [March 31, 2023: INR 16,962.30 Lakhs (including current maturities of INR 1,212.02 Lakhs)] carries interest in the range of 9.50% p.a to 10.45% p.a. [March 31, 2023: 9.95% p.a. to 10.30% p.a.]. The loan is repayable in 28 quarterly installments starting from November 2023 with the last instalment due on August 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 6,055.45 Lakhs (including current maturities of INR 1,059.49 Lakhs) [March 31, 2023: INR 7,103.09 Lakhs (including current maturities of INR 1,057.60 Lakhs)] carries interest in the range of 10.00% p.a to 11.50% p.a. [March 31, 2023: 10.00% p.a. to 10.95% p.a.]. The loan is repayable in 28 quarterly installments 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 Energy Efficiency 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.

Term loan from a bank of INR 3,203.40 Lakhs (including current maturities of INR 476.30 Lakhs) [March 31, 2023: INR 3,283.08 Lakhs (including current maturities of INR 118.61 Lakhs)] carries interest in the range of 9.80% p.a. to 11.20% p.a. [March 31, 2023: 9.50% p.a. to 10.35% p.a.] The loan is repayable in 28 quarterly installments 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 3,288.95 Lakhs (including current maturities of INR 879.09 Lakhs) [March 31, 2023: INR 3,931.39 Lakhs (including current maturities of INR 657.49 Lakhs)] carries interest in the range of 9.70% p.a. to 10.40% p.a. [March 31, 2023: 8.65% p.a. to 9.70% p.a.]. The loan is repayable in 18 quarterly installments 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).

Term loan from a bank of INR 4,954.26 Lakhs (including current maturities of INR 992.94 Lakhs) [March 31, 2023: INR 4,926.43 Lakhs (including current maturities of INR Nil)] carries interest rate in the range of 8.95% p.a.to 10.40% p.a. [March 31, 2023 : 8.95% p.a.]. The loan is repayable in 10 quarterly installments starting from April 2024 with the last instalment due on July 2026. 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).

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Term loan from a bank of INR 2,477.32 Lakhs (including current maturities of INR 186.18 Lakhs) [March 31, 2023: INR 2,470.52 Lakhs (including current maturities of INR Nil)] carries interest rate in the range of 9.25% p.a. to 10.25% p.a. [March 31, 2023: 9.25 % p.a.]. The loan is repayable in 15 quarterly installments starting from September 2024 with the last instalment due on March 2028. 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).

Term loan from a bank of INR NIL (including current maturities of INR NIL) [March 31, 2023: INR 1,997.46 Lakhs (including current maturities of INR 1,997.46 Lakhs)] carried interest in the range of 8.00% p.a. [March 31, 2023: 8.00% p.a.] The loan was repayable in 20 equal quarterly installments starting from June 2019 with the last instalment due on March 2024. The loan was secured by first pari-pasu charge on all movable and immovable fixed assets (alongwith working capital lenders), other than fixed assets exclusively charged to other lenders

Term loan from a bank of INR NIL (including current maturities of INR NIL) [March 31, 2023: INR 1,495.80 Lakhs (including current maturities of INR 1,495.80 Lakhs)] carried interest in the range of 9.80% p.a. to 10.80% p.a. [March 31, 2023: 9.30% p.a. to 10.80% p.a.] The loan was repayable in 20 quarterly installments starting from June 2019 with the last instalment due on March 2024. The loan was secured by first pari-pasu charge on all movable and immovable fixed assets, both present and future (other than fixed assets exclusively charged to other lenders).

Term loan from a bank of INR NIL (including current maturities of INR NIL) [March 31, 2023: INR 2,717.41 Lakhs (including current maturities of INR 2,717.41 Lakhs)] carried interest rate of 9.00% p.a. [March 31, 2023: 9.00 % p.a.] The loan was repayable in monthly installments starting from April 2023 with the last instalment due on February 2024. The loan is secured by first pari-passu first charge over movable and immovable fixed assets of the Company both present and future, excluding those exclusively charged to other term lenders

Indian currency vehicle loans
Vehicle loans from a bank of INR 215.49 Lakhs (including current maturities of INR 51.75 Lakhs) [March 31, 2023: INR 51.28 Lakhs (including current maturities of INR 14.84 Lakhs)] carry interest at 8.85% p.a. to 9.35% p.a. [March 31, 2023: 8.36% p.a. to 9.35% p.a.] The loan is repayable in 36 to 60 monthly installments starting from July 2018 with the last instalment due on January 2029 and is secured by first pari-passu charge on fixed assets financed by the said term loans.

15. Lease Liabilities

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities (Refer Note 33)	1,862.23	1,886.60	55.32	36.07
	1,862.23	**1,886.60**	**55.32**	**36.07**

16. Financial liabilities - Others

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial liabilities at fair value through profit or loss				
Derivatives not designated as hedges	-	-	4.80	252.21
Financial liabilities at amortised cost				
Liabilities for capital goods	-	-	703.43	337.72
Interest accrued but not due on borrowings and others	-	-	82.93	322.27
Security deposits	-	-	5,339.83	5,244.19
Payable to Gas pool operator	-	-	4,492.05	3,119.88
Employee benefits payable	-	-	768.75	760.75
Other expenses payable	-	-	3,618.38	2,664.02
Unpaid dividend*	-	-	142.91	119.46
Total	**-**	**-**	**15,153.08**	**12,820.50**

*There are no amounts due for payment to the Investor Education and Protection Fund under the Companies Act, 2013 as at year end.

17. Provisions

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Gratuity (Refer Note 27)	1,272.19	1,180.60	3.86	106.49
Compensated absences	-	-	1,089.56	1,011.18
Total	**1,272.19**	**1,180.60**	**1,093.42**	**1,117.67**

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

18. Deferred tax liabilities (net)

	Balance sheet		Statement of profit and loss	
	As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
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	13,225.22	12,916.61	308.61	3,656.55
Others	134.63	161.92	(27.29)	41.69
	13,359.85	**13,078.53**	**281.32**	**3,698.24**
Deferred tax assets				
Allowance for doubtful receivables	265.95	414.67	(148.72)	(22.60)
Allowance for doubtful advances	78.48	-	78.48	-
Allowance for GST receivable	522.79	290.77	232.03	(9.33)
Provision for gratuity and compensated absences	595.42	578.47	16.95	34.12
Lease Liability	490.30	491.59	(1.29)	(56.59)
Others	215.83	173.91	41.92	128.74
Minimum Alternate Tax ("MAT") credit entitlement	794.82	4,979.26	(4,184.44)	2,580.74
	2,963.59	**6,928.67**	**(3,965.07)**	**2,655.08**
Net deferred tax liability	**10,396.26**	**6,149.86**		
Deferred tax charge /(credit)			**4,246.39**	**1,043.16**

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	6,149.86	5,106.70
Tax charge/(credit) during the year		
Recognised in profit and loss	4,275.50	1,060.08
Recognised in OCI	(29.11)	(16.92)
	4,246.39	1,043.16
Balance at the end of the year	**10,396.26**	**6,149.86**

19. Current borrowings

	As at March 31, 2024	As at March 31, 2023
Secured borrowings		
Foreign currency buyer's / suppliers' credit from banks	10,931.19	35,574.94
Indian currency bills discounted with banks	54,157.33	55,253.20
Indian currency cash credit from banks	0.15	-
Current maturities of long-term borrowings (Refer Note 14)	6,070.22	9,271.23
	71,158.89	**1,00,099.37**
Unsecured borrowings		
Indian currency short-term loans from banks	904.88	-
	904.88	**-**
Total	**72,063.77**	**1,00,099.37**

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: 5.01% to 5.89% p.a. [March 31, 2023: 0.37% to 5.58% p.a.], bills discounted: 6.55% to 7.75% p.a. [March 31, 2023: 4.40% to 7.50% p.a.], cash credit: 8.95% to 11.80% p.a. [March 31, 2023: 8.75% to 11.45% p.a.]

Unsecured borrowings

The short-term loans are repayable over a maturity period of 45 to 180 days and carry floating interest rate of 7.84% to 9.48% p.a. [March 31, 2023 : 8.50% to 9.00% p.a.]

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

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Notes to the Ind AS financial statements for the year ended March 31, 2024
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
20. Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	1,115.11	4,582.66
- total outstanding dues of creditors other than micro enterprises and small enterprises	13,802.30	19,674.70
	14,917.41	**24,257.36**
Trade payables	14,904.17	20,448.02
Trade payables to related parties (Refer Note 38)	13.24	3,809.34
Total	**14,917.41**	**24,257.36**

*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

Trade payables Ageing Schedule

As at March 31, 2024

	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises**	-	1,114.44	-	-	-	0.67	1,115.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	423.48	13,041.55	313.34	0.51	7.38	16.04	13,802.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**423.48**	**14,155.99**	**313.34**	**0.51**	**7.38**	**16.71**	**14,917.41**

** 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, 2023

	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises***	-	4,581.99	-	-	-	0.67	4,582.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	325.76	18,940.27	384.17	7.40	0.35	16.75	19,674.70
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**325.76**	**23,522.26**	**384.17**	**7.40**	**0.35**	**17.42**	**24,257.36**

***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, 2024	As at March 31, 2023
21. Other current liabilities		
Statutory dues payable	278.48	339.29
Contract liabilities - Advances from customers**	1,348.96	1,601.93
Total	**1,627.44**	**1,941.22**

**Revenue recognised from amounts included in contract liabilities at the beginning of the year is INR 930.92 Lakhs (March 31, 2023 : INR 1,203.71 Lakhs).

Break up of financial liabilities carried at amortised cost

	Non-current: As at March 31, 2024	Non-current: As at March 31, 2023	Current: As at March 31, 2024	Current: As at March 31, 2023
Non Current Borrowings (Refer Note 14)	29,880.96	35,667.55	-	-
Lease Laibilities (Refer Note 15)	1,862.23	1,886.60	55.32	36.07
Current Borrowings (Refer Note 19)	-	-	72,063.77	1,00,099.37
Trade Payables (Refer Note 20)	-	-	14,917.41	24,257.36
Others (Refer Note 16)	-	-	15,148.28	12,568.29
Total	**31,743.19**	**37,554.15**	**1,02,184.78**	**1,36,961.09**

	For the year ended March 31, 2024	For the year ended March 31, 2023
22. Revenue from contracts with customers		
Sale of products (including concession subsidy on fertilisers)		
Manufactured	3,18,879.33	3,41,444.33
Traded	60,342.90	22,471.12
Sale of services	2.29	5.52
Other operating revenues (scrap sales)	319.64	231.43
Total	**3,79,544.16**	**3,64,152.40**
(a) Disaggregated revenue information		
Manufactured		
Urea	1,81,586.89	1,79,677.75
Complex fertilizers	1,29,693.21	1,52,835.52
Others	7,599.23	8,931.06
	3,18,879.33	**3,41,444.33**
Traded		
Complex fertilizers	45,611.14	19,674.15
Muriate of Potash (MOP)	12,926.40	-
Others	1,805.36	2,796.97
	60,342.90	**22,471.12**
(b) Timing of revenue recognition		
Products transferred for a point in time	3,79,541.87	3,64,146.88
Services rendered at a point in time	2.29	5.52
	3,79,544.16	**3,64,152.40**
(c) Reconciliation of amount of revenue recognised with contract price		
Revenue as per contracted price (including concession subsidy on fertilisers)	3,90,586.44	3,72,027.46
Adjustments		
Rebates	(11,042.28)	(7,875.06)
Revenue from contracts with customers	**3,79,544.16**	**3,64,152.40**

(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.

(e) Sales of products include government concession / subsidies amounting to INR 2,51,026.70 Lakhs (Previous year: INR 268,770.17 Lakhs). The urea concession income has been recognized based on the applicable extant policy guidelines, as per management estimate in line with known policy parameters, pending finalization by the Government of India ('GOI').

The subsidy income for phosphatic and potassic fertilisers under Nutrient Based Subsidy Policy has been accounted in line with the applicable extant policy guidelines notified by GOI from time to time, pending finalization by GOI.

(f) 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.

(g) 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.

(h) For details of contract balances, refer Notes 9 and 21. Also refer Note 39 for segment information.

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	For the year ended March 31, 2024	For the year ended March 31, 2023
23. Other income		
Interest income on bank deposits and others	3,291.72	2,522.18
Rental income	95.19	112.36
Insurance claim received	-	5.56
Provisions no longer required written back*	656.33	389.08
Other non-operating income	82.96	35.44
Total	**4,126.20**	**3,064.62**

* Includes Provision for impairment of GST credit of previous years reversed INR Nil Lakhs [Previous year- INR 37.04 Lakhs] and Provision for Impairment of Trade Recievabe reversed Rs. 589.58 Lakhs [Previous year - Provision for impairment of Trade Receivable written back INR 90.64 Lakhs]

	For the year ended March 31, 2024	For the year ended March 31, 2023
24. Cost of materials consumed		
Inventories at the beginning of the year	13,851.83	20,395.17
Add: Purchases during the year	1,81,666.74	1,93,082.18
Less: Inventories at the end of the year	10,029.59	13,851.83
Cost of materials consumed	**1,85,488.98**	**1,99,625.52**
Materials consumed		
Natural Gas	86,801.43	78,421.53
Phosphoric acid	62,091.85	62,988.49
Imported ammonia	16,455.75	36,591.70
Others	20,139.95	21,623.80
Total	**1,85,488.98**	**1,99,625.52**
25. Purchases of traded goods		
Complex fertilizers	34,425.00	22,862.00
Muriate of Potash (MOP)	11,314.78	-
Others	1,312.21	2,951.56
Total	**47,051.99**	**25,813.56**
26.Changes in inventories of finished goods, work-in-progress and traded goods		
Inventories at the beginning of the year		
Finished goods	1,850.61	18,439.38
Traded goods	4,735.43	150.49
Work-in-progress	196.73	35.27
	6,782.77	18,625.14
Less: Inventories at the end of the year		
Finished goods	1,691.49	1,850.61
Traded goods	250.38	4,735.43
Work-in-progress	1,357.12	196.73
	3,298.99	6,782.77
Changes in inventories of finished goods, work-in-progress and traded goods	**3,483.78**	**11,842.37**
27. Employee benefits expense		
Salaries, wages and bonus	5,929.10	6,078.43
Gratuity expense [refer note (i) below]	181.66	149.99
Contribution to provident and other funds [refer note (ii) below]	424.93	419.90
Staff welfare expenses	247.20	268.86
Total	**6,782.89**	**6,917.18**

(i) 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.

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(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, 2024	For the year ended March 31, 2023
(a) Cost charged to the statement of profit or loss under employee cost		
Current service cost	85.71	84.41
Interest cost	101.82	101.07
Return on plan assets	(5.73)	(9.15)
Net employee benefit expense	**181.80**	**176.33**
(b) Re-measurement (loss) gain recognised in other comprehensive income		
Actuarial (loss) gain		
Change in financial and demographic assumptions	(49.87)	11.04
Experience variance (actual vs assumption)	(37.12)	(57.14)
Actuarial (loss) on assets	3.69	(2.32)
Net actuarial (loss)/gain	**(83.30)**	**(48.42)**
(c) Changes in the present value of the defined benefit obligation		
Obligations at beginning of the year	1,363.84	1,395.12
Current service cost	85.71	84.41
Interest cost	101.82	101.07
Benefits paid	(155.44)	(262.86)
Actuarial (loss)	86.99	46.10
Obligations at end of the year	**1,482.92**	**1,363.84**
(d) Change in fair value of plan assets		
Plan assets at the beginning of the year	76.75	126.34
Return on plan assets	5.73	9.15
Contributions during the year	276.14	206.44
Benefits paid	(155.44)	(262.86)
Actuarial (loss)	3.69	(2.32)
Plan assets at end of the year	**206.87**	**76.75**
(e) Benefit asset/(liability)		
Fair value of plan assets	206.87	76.75
Less: Present value of defined benefit obligations	1,482.92	1,363.84
Benefit (liability)	**(1,276.05)**	**(1,287.09)**
(f) Major category of plan assets included in fair value of plan assets		
Fund balance with insurance companies	206.87	76.75
Total	**206.87**	**76.75**
(g) The principal assumptions used in determining gratuity obligations for the Company plan are as shown below:		
Discount rate	7.20%	7.45%
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.

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(h) A quantitative sensitivity analysis for significant assumption is as below:

	As at March 31, 2024		As at March 31, 2023	
	Increase	**Decrease**	**Increase**	**Decrease**
Impact on defined benefit obligation				
Discount rate (+ - 0.5%)	(64.65)	70.23	(57.51)	62.43
Salary increase rate (+ - 0.5%)	69.98	(64.99)	62.25	(57.84)
Employee turnover (+ - 50% of attrition rates)	4.81	(5.38)	6.08	(6.82)
Mortality rate (+ - 10% of mortality rates)	0.25	(0.25)	0.31	(0.31)

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, 2024	For the year ended March 31, 2023
Within next 12 months	210.74	183.25
Between 2 to 5 years	457.35	536.10
Between 6 to 10 years	622.67	424.86
More than 10 years	2,227.93	2,152.50
Total	**3,518.69**	**3,296.71**

The average duration of the defined benefit plan obligation at the end of the reporting period year is 9 years (March 31, 2023: 9 years)

(ii) Contribution to provident and other funds includes the following defined contributions:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Provident fund	260.35	264.43
Superannuation fund and national pension scheme	156.07	144.72
Others	8.51	10.75
Total	**424.93**	**419.90**

28. Finance costs

Interest expense	8,816.01	7,131.23
Interest on Income Tax	80.00	32.00
Interest on Leases (Refer Note 33)	198.24	202.05
Exchange difference regarded as adjustment to borrowing cost	141.14	1,337.52
Other borrowing costs	1,257.60	1,734.96
Total	**10,492.99**	**10,437.76**

29. Depreciation and amortisation expense

Depreciation of property, plant and equipment	6,990.24	5,802.28
Depreciation of right of use assets	117.37	111.94
Amortisation of intangible assets	50.16	53.28
Total	**7,157.77**	**5,967.50**

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30. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	1,101.58	892.30
Power, fuel and water	70,109.30	66,386.91
Bagging and other contracting charges	1,026.08	775.64
Transportation	15,420.50	10,500.82
Repairs and maintenance		
Buildings	149.36	130.44
Plant and equipment	3,173.53	2,759.75
Others	690.51	629.01
Rent	472.60	478.43
Rates and taxes	13.18	19.48
Insurance	798.11	796.40
Travelling and conveyance	258.22	245.14
Net loss on disposal of property, plant and equipment	577.78	521.96
Impairment of capital work in progress	120.20	-
Provision for impairment of other assets	1,233.65	-
Director's sitting fees	23.85	25.05
Auditors remuneration (refer details below)	38.75	33.56
CSR expenditure (refer note 37)	377.52	210.00
Foreign exchange differences (net)	559.59	1,800.69
Miscellaneous expenses	3,000.63	2,804.96
Total	**99,144.94**	**89,010.54**

Payment to Auditors		
As Auditor		
Statutory audit fee	17.00	17.00
Limited review fee	9.00	9.75
In other capacity		
Certification fees	9.00	6.00
Others (including reimbursement of expenses)	3.75	0.81
Total	**38.75**	**33.56**

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)	4,310.00	3,077.00
Deferred tax charge/(credit)		
MAT credit utilisation/(accumulation)	4,184.44	(2,580.74)
Deferred tax charge for prior years	-	(1.25)
Deferred tax credit on others	91.06	3,642.07
Total	**8,585.50**	**4,137.08**

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	(29.11)	(16.92)
Total	**(29.11)**	**(16.92)**

Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:

Accounting profit before income tax	**24,067.02**	**17,602.59**
Tax as per statutory income tax rate of 34.94% (Previous period: 34.94%)	8,409.98	6,151.05
Non-deductible expenses for tax purposes		
CSR expenditure	131.92	73.38
Deferred tax charge for prior years	-	(1.25)
Other non-deductible expenses	57.04	223.82
Impact of change in tax rate for future period*	(13.44)	(2,309.92)
Income tax expense reported in statement of profit and loss account	**8,585.50**	**4,137.08**
Effective tax rate	**35.67%**	**23.50%**

* Management has assessed the utilization of Minimum Alternate Tax (MAT) on the basis of future profitability projections. Further, the management also assessed it to be probable that post utilization of MAT the Company will be exercising option to pay Income Tax at reduced rates as per the provisions/conditions defined in the new Section 115BAA in the Income Tax Act, 1961, inserted vide the Taxation Laws (Amendment) Ordinance 2019.

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	For the year ended March 31, 2024	For the year ended March 31, 2023

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	15,481.52	13,465.51
Weighted average number of equity shares considered for calculating basic diluted EPS	11,85,15,150	11,85,15,150
Earnings per share (Basic/Diluted)	**13.06**	**11.36**

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 6 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, 2024	For the year ended March 31, 2023
At the beginning of the year	1,922.67	2,113.75
Additions	40.47	-
Leases terminated	-	(157.49)
Accretion of interest	198.24	202.05
Payments	(243.83)	(235.64)
At the end of the year	**1,917.55**	**1,922.67**
Current	55.32	36.07
Non-current	1,862.23	1,886.60

The maturity analysis of lease liabilities are disclosed in Note 41(c). The following are the amounts recognised in the statement of profit or loss:

Depreciation expense of right-of-use assets	117.37	111.94
Interest expense on lease liabilities	198.24	202.05
Expense relating to short-term leases (included in rent expense)	472.60	478.43
Total amount recognised in the statement of profit or loss	**788.21**	**792.42**

The Company had total cash outflows for leases of INR 716.43 Lakhs (Previous year: INR 714.07 Lakhs). The Company also had non-cash additions to right-of-use assets and lease liabilities of INR 40.47 Lakhs (Previous year: Nil).

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 9% / 10%, with maturity between 2024-2042

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.

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	For the year ended March 31, 2024	For the year ended March 31, 2023
Expense relating to leases of low-value assets	-	-
Expense relating to short-term leases	29.30	78.67
Variable lease payments	443.30	399.76
Total Lease Payments not considered as Lease payments under Ind AS 116	**472.60**	**478.43**

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 period is INR 95.19 lakhs (Previous year: INR 112.36 Lakhs).

	For the year ended March 31, 2024	For the year ended March 31, 2023
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	19,703.49	5,225.19
(b) For commitments relating to lease arrangements, refer Note 33.		

35. Contingent liabilities

(a) Claims against the Company not acknowledged as debts		
Income tax	358.04	358.04
Excise duty	638.96	638.96
Entry tax	382.70	382.70
Customs duty	499.63	424.70
Service tax	15.49	15.49
Others	28.50	33.00

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 on indirect tax matters relating to subsidy, NBS reasonability guidelines notified from time to time and the assessment thereof. The Company's management does not expect adverse outcome on these which may have a material impact on the financial statements.

(b) Other money for which the Company is contingently liable		
Bank guarantees	1,058.16	904.23

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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, 2024	For the year ended March 31, 2023
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*	1,114.44	4,581.99
- Interest due on above	0.67	0.67
- Total	**1,115.11**	**4,582.66**

*Excluding liabilities for capital goods of INR 307.28 Lakhs (March 31, 2023 : INR 133.68 Lakhs)

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 period 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, 2024	For the year ended March 31, 2023
37. Details of CSR expenditure		
a) Gross amount required to be spent by the Company during the year	280.80	209.71
b) Amount approved by the Board to be spent during the year	280.80	209.71
c) Amount spent		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	377.52	210.00
d) Details related to spent / unspent obligations:		
i) Amount spent	377.52	210.00
ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
Total	**377.52**	**210.00**

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**
0.53	280.80	377.52	97.25

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(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") Zuari Maroc Phosphates Private Limited ("ZMPPL")
Promoters Promoters Group	Zuari Industries Limited Adventz Finance Private 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. Nitin Manguesh Kantak Whole-time Director Mr. Shubhabrata Saha, Managing Director (till 03.11.2022) Mr. T.M. Muralidharan, Chief Financial Officer Mr. Vijayamahantesh Khannur, Company Secretary (till 31.07.2023) Mr. Vighneshwar G Bhat, Company Secretary (w.e.f. 20.10.2023)
Directors	Mr. Akshay Poddar Mr. D.A Prasanna Mrs. Rita Menon (till 28.07.2023) Mrs. Kiran Dhingra (w.e.f. 10.07.2023) Mr. Dipankar Chatterji (till 13.05.2022) Mr. Marco Philippus Ardeshir Wadia Mr. Nitin Manguesh Kantak (Non-Executive Director till 02.11.2022) Mr. Sabaleel Nandy (w.e.f.03.11.2022 till 25.03.2023) Mr. N Suresh Krishnan (w.e.f. 25.03.2023)
Enterprises in which directors/shareholders are interested	Lionel India Limited ("LIL")
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 period

	Holding Company		**Common control**		**Key Management Personnel and Directors**		**Others including Promoters & Promoters Group**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sale of goods (net)								
ZFL	-	-	5,803.45	6,991.03	-	-	-	-
PPL	-	-	114.89	-	-	-	-	-
	-	**-**	**5,918.34**	**6,991.03**	**-**	**-**	**-**	**-**
Purchase of goods (net)								
ZFL	-	-	96.89	35.29	-	-	-	-
PPL	-	-	12,302.50	3,697.12	-	-	-	-
ZMPPL	-	-	1,910.00	-	-	-	-	-
	-	**-**	**14,309.39**	**3,732.41**	**-**	**-**	**-**	**-**
Interest income								
ZACL	748.18	743.48	-	-	-	-	-	-
ZFL	-	-	0.29	3.33	-	-	-	-
	748.18	**743.48**	**0.29**	**3.33**	**-**	**-**	**-**	**-**
Purchase of services								
ZMSL	-	-	100.82	89.98	-	-	-	-
	-	**-**	**100.82**	**89.98**	**-**	**-**	**-**	**-**
Travel expenses paid								
LIL	-	-	-	-	-	-	141.93	60.32
	-	**-**	**-**	**-**	**-**	**-**	**141.93**	**60.32**
Reimbursement of expenses by the Company								
ZFL	-	-	-	14.48	-	-	-	-
PPL	-	-	18.62	2.25		-	-	-
Adventz Finance Private Limited			-	-	-	-	-	7.46
	-	**-**	**18.62**	**16.73**	**-**	**-**	**-**	**7.46**

(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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Reimbursement of expenses to the Company								
ZACL	-	143.33	-	-	-	-	-	-
ZFL	-	-	22.12	22.49	-	-	-	-
PPL	-	-	7.04	0.04	-	-	-	-
	-	**143.33**	**29.16**	**22.53**	**-**	**-**	**-**	**-**
Sitting fees paid								
Mr Akshay Poddar	-	-	-	-	3.60	4.30	-	-
Mr DA Prasanna	-	-	-	-	6.75	6.75	-	-
Mr Dipankar Chatterji	-	-	-	-	-	0.40	-	-
Mr Suresh Krishnan	-	-	-	-	2.00	-	-	-
Ms Rita Menon	-	-	-	-	1.60	5.75	-	-
Mr Marco Wadia					5.75	5.35	-	-
Mr Nitin M Kantak	-	-	-	-	-	1.50		
Mr Sabaleel Nandy	-	-	-	-	-	1.00	-	-
Ms Kiran Dhingra	-	-	-	-	4.15	-	-	-
	-	**-**	**-**	**-**	**23.85**	**25.05**	**-**	**-**
Directors' Remuneration								
Mr Akshay Poddar	-	-	-	-	5.00	5.00	-	-
Mr DA Prasanna	-	-	-	-	5.00	5.00	-	-
Mr Suresh Krishnan	-	-	-	-	5.00	-	-	-
Ms Rita Menon	-	-	-	-	1.70	5.00	-	-
Mr Marco Wadia	-	-	-	-	5.00	4.50	-	-
Mr Nitin M Kantak	-	-	-	-	-	2.92	-	-
Ms Kiran Dhingra	-	-	-	-	3.75	-	-	-
	-	**-**	**-**	**-**	**25.45**	**22.42**	**-**	**-**
Dividend paid on equity shares								
ZACL	960.43	768.34	-	-	-	-	-	-
Adventz Finance Private Limited	-	-	-	-	-	-	65.25	52.20
Zuari Industries Limited	-	-	-	-	-	-	4.59	3.67
McDowell Holdings Limited	-	-	-	-	-	-	18.86	15.09
Mrs Jyotsna Poddar	-	-	-	-	-	-	2.36	1.89
Mrs Shradha Agarwala	-	-	-	-	-	-	3.00	2.40
Mr Gaurav Agarwala	-	-	-	-	-	-	2.25	1.80
Mr Akshay Poddar	-	-	-	-	21.04	15.63	-	-
Mr D A Prasanna	-	-	-	-	0.17	0.13	-	-
Mr Suresh Krishnan					0.02	-	-	-
Mr. Vijayamahantesh Khannur	-	-	-	-	-	0.00	-	-
Mr Nitin M Kantak	-	-	-	-	0.01	0.01	-	-
Mr T M Muralidharan					0.00	-		
	960.43	**768.34**	**-**	**-**	**21.24**	**15.77**	**96.31**	**77.05**
Contributions made								
MCF Gratuity Trust	-	-	-	-	-	-	280.25	210.60
MCF Superannuation Trust	-	-	-	-	-	-	74.42	71.93
	-	**-**	**-**	**-**	**-**	**-**	**354.67**	**282.53**

	March 31, 2024	March 31, 2023
Compensation of key management personnel*		
Short-term employee benefits	339.92	576.79
Post-employment gratuity and medical benefits	-	-
Termination benefits	-	-
Share-based payment transactions	-	-
Total compensation paid to key management personnel	**339.92**	**576.79**

*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 period/year end:

	Holding Company		Common control		Key Management Personnel and Directors		Others including Promoters & Promoters Group	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest receivable								
ZACL	5,096.63	4,348.45	-	-	-	-	-	-
	5,096.63	**4,348.45**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables								
ZACL	8,038.36	8,003.60	-	-	-	-	-	-
ZFL	-	-	386.50	280.81	-	-	-	-
	8,038.36	**8,003.60**	**386.50**	**280.81**	**-**	**-**	**-**	**-**
Trade payables								
PPL	-	-	0.03	3,808.39	-	-	-	-
ZMSL	-	-	-	-	-	-	10.31	-
LIL	-	-	-	-	-	-	2.90	0.94
	-	**-**	**0.03**	**3,808.39**	**-**	**-**	**13.21**	**0.94**

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.

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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 2,51,026.70 Lakhs (Previous period INR 268,770.17 Lakhs) arising from the concession subsidy on fertilizers.

40. The Board of Directors of the Company at its Meeting held on February 7, 2024, have, inter alia, approved a Composite Scheme of Arrangement amongst the Company, Paradeep Phosphates Limited ("Transferee Company" or "PPL"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, subject to approval/consent/sanction from shareholders, creditors and other applicable regulatory authorities including Hon'ble National Company Law Tribunal. The Scheme provides for Amalgamation of the Company into the Transferee Company as a going concern with effect from the Appointed Date i.e. April 1, 2024.

41. 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

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets measured at fair value								
Derivatives not designated as hedges	1.54	26.61	-	-	1.54	26.61	-	-
Financial assets for which fair values are disclosed								
Trade receivables	60,425.82	75,724.26	-	-	60,425.82	75,724.26	-	-
Cash and cash equivalents	27,942.94	32,979.95	-	-	27,942.94	32,979.95	-	-
Other bank balances	4,886.42	3,605.39	-	-	4,886.42	3,605.39	-	-
Security deposits	588.74	594.71	-	-	588.74	594.71	-	-
Rebate / discount receivable from suppliers	235.10	938.31	-	-	235.10	938.31	-	-
Other receivable	83.97	518.86	-	-	83.97	518.86	-	-
Interest accrued on deposits and others	5,160.38	4,499.05	-	-	5,160.38	4,499.05	-	-

	Carrying amount		Fair values					
			Level 1		Level 2		Level 3	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial liabilities measured at fair value								
Derivatives not designated as hedges	4.80	252.21	-	-	4.80	252.21	-	-
Financial liabilities for which fair values are disclosed								
Borrowings	1,01,944.73	1,35,766.92	-	-	1,01,944.73	1,35,766.92	-	-
Lease Liabilities	1,917.55	1,922.67	-	-	1,917.55	1,922.67	-	-
Trade payables	14,917.41	24,257.36	-	-	14,917.41	24,257.36	-	-
Liability for capital goods	703.43	337.72	-	-	703.43	337.72	-	-
Interest accrued on borrowings	82.93	322.27	-	-	82.93	322.27	-	-
Security deposits	5,339.83	5,244.19	-	-	5,339.83	5,244.19	-	-
Payable to Gas pool operator	4,492.05	3,119.88	-	-	4,492.05	3,119.88	-	-
Other payables	4,530.04	3,544.23	-	-	4,530.04	3,544.23	-	-

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.

42. 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.

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, 2024		March 31, 2023	
	0.5% increase	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
INR Borrowings	(455.07)	455.07	(500.96)	500.96
USD Borrowings	(54.66)	54.66	(177.87)	177.87

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:

<u>Derivatives (not designated as hedges) outstanding as at the reporting date</u>

Type	Currency	March 31, 2024		March 31, 2023	
		Foreign currency in Lakhs	INR in Lakhs	Foreign currency in Lakhs	INR in Lakhs
Forward contracts	USD	84.64	7,059.04	353.74	29,067.04

<u>Un-hedged foreign currency exposure as at the reporting date</u>

	As at March 31, 2024	As at March 31, 2023
Rebate / discount receivable from suppliers	235.10	938.31
Other receivables	83.97	341.01
Borrowings	3,872.15	7,267.09
Trade payables	16.69	946.03

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, 2024		March 31, 2023	
	5% increase	**5% decrease**	**5% increase**	**5% decrease**
<u>Impact on profit before tax</u>				
USD	(178.29)	178.29	(346.69)	346.69

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iii. Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas. Natural gas being international commodity is 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.

The Company deals in purchase of imported fertilizers (i.e., DAP and MOP), which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by the international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

The Company also deals in purchase of imported raw materials (i.e. P2O5, Ammonia and Urea) which are imported by the Company and used in the manufacturing of NP. The import prices of these materials are governed by international prices. There is a price and material availability risk.

(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 45,091.91 Lakhs (March 31, 2023: INR 63,358.47 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 8,424.86 Lakhs (March 31, 2023: INR 8,241.41 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, 2024, 9.49% (31 March 2023: 13.45%) 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. 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.

Reconciliation of provision for doubtful debts and other assets

	As at March 31, 2024	As at March 31, 2023
Impairment of Trade receivable		
Balance at the beginning of the year	1,646.61	1,737.25
Add: Provision made during the year	-	-
Less: Reversal of earlier years provisions	(589.58)	(90.64)
Balance at the end of the year	**1,057.03**	**1,646.61**
Impairment of Other assets		
Balance at the beginning of the year	1,155.22	1,192.26
Add: Provision made during the year	921.83	-
Less: Provision reversed during the year	-	(37.04)
Balance at the end of the year	**2,077.05**	**1,155.22**
Impairment of Other financial assets		
Balance at the beginning of the year	-	-
Add: Provision made during the year	311.82	-
Less: Provision reversed during the year	-	-
Balance at the end of the year	**311.82**	**-**

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(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				
	Upto 1 year	1-3 years	3-5 years	Above 5 years	Total
March 31 2024					
Non-current borrowings	6,070.22	14,878.76	9,850.59	5,151.62	35,951.18
Lease liabilities	247.21	479.20	470.10	3,186.61	4,383.12
Current borrowings	65,993.55	-	-	-	65,993.55
Trade payables	14,917.41	-	-	-	14,917.41
Other financial liabilities	15,153.08	-	-	-	15,153.08
Total	**1,02,381.47**	**15,357.96**	**10,320.69**	**8,338.23**	**1,36,398.34**
March 31, 2023					
Non-current borrowings	9,271.23	13,829.25	12,755.51	9,082.79	44,938.78
Lease liabilities	231.63	462.28	470.82	3,373.10	4,537.83
Current borrowings	90,828.14	-	-	-	90,828.14
Trade payables	24,257.36	-	-	-	24,257.36
Other financial liabilities	12,820.50	-	-	-	12,820.50
Total	**1,37,408.86**	**14,291.53**	**13,226.33**	**12,455.89**	**1,77,382.61**

43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Reason for variance above 25% as per Schedule III requirement
Current ratio	Current Assets	Current Liabilities	1.23	1.10	11.8%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.08	1.69	35.8%	Improved liquidity & profitability
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.93	1.80	6.9%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	17.77%	18.12%	(2.0%)	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	11.52	7.07	62.9%	Reduction in working capital cycle
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.58	5.12	8.9%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	11.68	6.76	(72.7%)	Reduction in working capital cycle
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	15.29	24.72	38.1%	Improved current ratio due to improved liquidity
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	4%	3.70%	(10.3%)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	18%	12.98%	35.9%	Improved profitability on account of better margins & volumes besides reduction in debt due to better liquidity

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

44. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) **The Struck off Company details**

Name of the Struck off Company	Nature of transactions with struck off company	Balance Outstanding (INR)
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 to or 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

45. 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, 2024	As at March 31, 2023
Non-current borrowings	14	29,880.96	35,667.55
Lease Liabilities	15	1,917.55	1,922.67
Current borrowings	19	72,063.77	1,00,099.37
Less Cash and cash equivalents	10	(27,942.94)	(32,979.95)
Less: Other bank balances (excluding unpaid dividend accounts)	11	(4,743.51)	(3,485.93)
Net debt (A)		**71,175.83**	**1,01,223.71**
Equity share capital	12	11,854.87	11,854.87
Other equity	13	82,113.55	68,463.95
Total equity (B)		**93,968.42**	**80,318.82**
Gearing ratio (A / B)		**76%**	**126%**

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, 2024 and March 31, 2023

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46 Previous year figures have been regrouped re-classified wherever necessary, to conform to current period's classification.

As per our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership Number: 208545

Place of Signature: Bangalore
Date: May 23, 2024

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

Akshay Poddar
Chairman
DIN: 00008686

Nitin M Kantak
Whole-time Director
DIN: 08029847

T.M. Muralidharan
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary

Date: May 23, 2024

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

MANGALORE CHEMICALS AND FERTILIZERS LIMITED
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2024

(Rupees in Lakhs)

	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current half year ended	Year to date figures for previous half year ended	Previous year ended
		30.09.2024	30.06.2024	30.09.2023	**30.09.2024**	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	**Unaudited**	Unaudited	Audited
1	**INCOME**						
	(a) Revenue from contracts with customers (Refer Note 4 and 5)	**77,639.10**	81,404.62	1,41,040.77	**1,59,043.72**	2,36,843.81	3,79,544.16
	(b) Other income	**530.64**	647.55	1,045.06	**1,178.19**	1,781.87	4,126.20
	Total income	**78,169.74**	82,052.17	1,42,085.83	**1,60,221.91**	2,38,625.68	3,83,670.36
2	**EXPENSES**						
	(a) Cost of materials consumed	**36,143.83**	47,343.62	50,011.22	**83,487.45**	1,04,513.31	1,85,488.98
	(b) Purchases of traded goods	**1,528.46**	3,943.90	1,516.95	**5,472.36**	46,369.89	47,051.99
	(c) Changes in inventories of finished goods, traded goods and work-in-progress	**7,950.91**	(7,628.08)	46,333.90	**322.83**	3,396.46	3,483.78
	(d) Employee benefits expense	**1,775.09**	1,921.17	1,645.76	**3,696.26**	3,477.73	6,782.89
	(e) Finance costs	**2,045.64**	2,521.78	2,818.83	**4,567.42**	5,853.06	10,492.99
	(f) Depreciation and amortisation expense	**1,927.57**	1,902.12	1,748.55	**3,829.69**	3,469.37	7,157.77
	(g) Other expenses	**22,652.94**	25,252.36	27,385.36	**47,905.30**	53,308.24	99,144.94
	Total expenses	**74,024.44**	75,256.87	1,31,460.57	**1,49,281.31**	2,20,388.06	3,59,603.34
3	**Profit/(Loss) before tax (1-2)**	**4,145.30**	6,795.30	10,625.26	**10,940.60**	18,237.62	24,067.02
4	**Tax expense**						
	(a) Current tax / Minimum Alternate Tax	**1,507.91**	1,598.18	1,862.00	**3,106.09**	3,174.00	4,310.00
	(b) Deferred tax charge / (credit)	**(1.09)**	806.14	1,992.33	**805.05**	3,363.87	4,275.50
	Total tax expense	**1,506.82**	2,404.32	3,854.33	**3,911.14**	6,537.87	8,585.50
5	**Profit/(Loss) for the period/year (3-4)**	**2,638.48**	4,390.98	6,770.93	**7,029.46**	11,699.75	15,481.52
6	**Other comprehensive income/(loss)**						
	Items that will not be reclassified to profit or loss						
	Re-measurement gains/(losses) on defined benefit plan	**(116.62)**	49.27	18.94	**(67.35)**	(34.66)	(83.30)
	Income tax effect on above	**40.75**	(17.22)	(6.62)	**23.53**	12.11	29.11
	Total other comprehensive income/(loss)	**(75.87)**	32.05	12.32	**(43.82)**	(22.55)	(54.19)
7	**Total comprehensive income/(loss) (5+6)**	**2,562.61**	4,423.03	6,783.25	**6,985.64**	11,677.20	15,427.33
8	**Paid-up equity share capital (Face value of INR 10 per share)**	**11,854.87**	11,854.87	11,854.87	**11,854.87**	11,854.87	11,854.87
9	**Other equity**						82,113.55
10	**Earnings per equity share (Face value of INR 10/- each) (not annualised for quarters /periods):**						
	(a) Basic (in INR)	**2.23**	3.70	5.71	**5.93**	9.87	13.06
	(b) Diluted (in INR)	**2.23**	3.70	5.71	**5.93**	9.87	13.06

See accompanying notes to the unaudited financial results

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Statement of Assets and Liabilities

(Rupees in Lakhs)

	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
ASSETS		
Non-current assets		
(a) Property, plant and equipment	**1,03,542.51**	1,06,580.61
(b) Capital work-in-progress	**1,385.81**	1,117.25
(c) Right-of-use assets	**1,462.74**	1,543.94
(d) Intangible assets	**139.84**	104.18
(e) Financial assets		
(i) Others	**590.46**	588.74
(f) Income tax assets (net)	**67.33**	99.75
(g) Other non-current assets	**5,570.99**	2,521.62
	1,12,759.68	1,12,556.09
Current assets		
(a) Inventories	**24,029.58**	16,855.85
(b) Financial assets		
(i) Investments	**0.10**	0.10
(ii) Trade receivables	**28,992.94**	60,425.82
(iii) Cash and cash equivalents	**30,273.46**	27,942.94
(iv) Other bank balances	**3,803.88**	4,886.42
(v) Others	**5,703.53**	5,480.99
(c) Other current assets	**16,389.92**	14,894.71
	1,09,193.41	1,30,486.83
Total assets	**2,21,953.09**	2,43,042.92
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	**11,854.87**	11,854.87
(b) Other equity	**87,321.39**	82,113.55
	99,176.26	93,968.42
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	**26,074.41**	29,880.96
(ii) Lease liabilities	**1,726.17**	1,862.23
(b) Provisions	**1,291.85**	1,272.19
(c) Deferred tax liabilities (net)	**11,177.77**	10,396.26
	40,270.20	43,411.64
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	**50,455.71**	72,063.77
(ii) Lease liabilities	**42.95**	55.32
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	**2,288.57**	1,115.11
b) total outstanding dues of creditors other than micro enterprises and small enterprises	**10,223.43**	13,802.30
(iv) Others	**15,718.46**	15,153.08
(b) Liabilities for current tax (net)	**830.83**	752.42
(c) Other current liabilities	**1,686.83**	1,627.44
(d) Provisions	**1,259.85**	1,093.42
	82,506.63	1,05,662.86
Total equity and liabilities	**2,21,953.09**	2,43,042.92

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Statement of Cash Flows

(Rupees in Lakhs)

	For the half year ended September 30, 2024 Unaudited	For the half year ended September 30, 2023 Unaudited
A Operating activities		
Profit/(loss) before tax	**10,940.60**	18,237.62
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	**3,829.69**	3,469.37
Net loss on disposal of property, plant and equipment	**572.57**	464.21
Provision for impairment of advances	**-**	941.44
Fair value loss/(gain) on financial instruments at fair value through profit or loss	**2.52**	(405.11)
Unrealised foreign exchange differences (net)	**25.64**	405.01
Finance costs	**4,567.42**	5,853.06
Interest income	**(1,120.34)**	(1,611.75)
Liabilities no longer required written back	**-**	(68.07)
Operating profits before working capital changes	**18,818.10**	27,285.78
Working capital changes:		
(Increase)/Decrease in Inventories	**(7,173.73)**	8,999.86
(Increase)/Decrease in Trade receivables	**31,432.88**	57,262.23
(Increase)/Decrease in Other financial assets	**129.73**	1,038.95
(Increase)/Decrease in Other assets	**(1,478.25)**	(2,077.70)
(Decrease)/increase in Trade payables	**(2,421.52)**	8,595.53
(Decrease)/increase in Other financial liabilities	**(857.40)**	9,632.81
(Decrease)/increase in Other current liabilities and provisions	**178.13**	(89.78)
	19,809.84	83,361.90
Cash generated from/ (used in) operations	**38,627.94**	1,10,647.68
Income tax paid	**(2,995.26)**	(1,872.80)
Net cash flow from/(used in) operating activities (A)	**35,632.68**	1,08,774.88
B Investing activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	**(5,149.30)**	(5,010.19)
Proceeds from sale of property, plant and equipment	**5.24**	(108.21)
Investments in bank deposits (having original maturity of more than three months)	**(568.31)**	(1,527.05)
Redemption/maturity of bank deposits (having original maturity of more than three months)	**1,650.00**	880.21
Interest received	**764.81**	1,056.80
Net cash flow (used in) investing activities (B)	**(3,297.56)**	(4,708.44)
C Financing activities		
Proceeds from long-term borrowings	**52.83**	44.14
Repayment of long-term borrowings	**(2,971.53)**	(3,962.00)
Payment of principal portion of lease liaiblities	**(126.54)**	(116.08)
Payment of interest portion of lease liaiblities	**(97.12)**	(99.30)
Proceeds from/(repayment of) short-term borrowings (net)	**(22,505.44)**	(36,088.55)
Finance cost paid	**(4,356.80)**	(5,218.49)
Dividend paid to equity shareholders	**-**	(1,777.78)
Net cash flow (used in)/ from financing activities (C)	**(30,004.60)**	(47,218.06)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**2,330.52**	56,848.38
Cash and cash equivalents at the beginning of the year	**27,942.94**	32,979.95
Cash and cash equivalents at the end of the year	**30,273.46**	89,828.33
Components of cash and cash equivalents		
Cash on hand	**2.51**	1.60
Balances with banks on current accounts	**6,215.95**	13,451.73
Balances with banks on deposit accounts with original maturity of three months or less	**24,055.00**	76,375.00
Total cash and cash equivalents	**30,273.46**	89,828.33

MANGALORE CHEMICALS & FERTILIZERS LTD. ★ BANGALORE

Notes:

1. The unaudited financial results for the quarter ended September 30, 2024 and year to date from April 1, 2024 to September 30, 2024 of Mangalore Chemicals and Fertilizers Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 28, 2024 and has been subjected to limited review by auditors.

2. The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. The Company is engaged in the manufacture, sale and trading of fertilisers which constitutes a single operating segment as per Ind AS 108 and hence separate segment disclosures have not been furnished.

4. The urea concession income for the period / year has been recognized based on the applicable extant policy guidelines, as per management estimate in line with known policy parameters, pending finalization by the Government of India ('GOI'). The subsidy income for phosphatic and potassic fertilisers under Nutrient Based Subsidy Policy has been accounted in line with the applicable extant policy guidelines notified by GOI from time to time, pending finalization by GOI.

5. 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.

6. The Board of Directors of the Company at its Meeting held on February 7, 2024, have, inter alia, approved a Composite Scheme of Arrangement amongst the Company, Paradeep Phosphates Limited ("Transferee Company" or "PPL"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, subject to approval/consent/sanction from shareholders, creditors and other applicable regulatory authorities including Hon'ble National Company Law Tribunal. The Scheme provides for Amalgamation of the Company into the Transferee Company as a going concern with effect from the Appointed Date i.e. April 1, 2024.

7. The Company has resumed production in the last week of September 2024 after shutdown of the Ammonia and Urea plants in the first week of September 2024 for replacement of reformer catalyst.

8. Previous year / period's figures have been regrouped / rearranged wherever considered necessary, to conform with current period's classification.

For and on behalf of the Board of Directors

Date: October 28, 2024

Nitin M Kantak
Whole Time Director
DIN: 08029847

MANGALORE CHEMICALS & FERTILIZERS LTD. ★ BANGALORE

Independent Auditor's Report on review of Unaudited Financial Results

To the Board of Directors of Mangalore Chemicals & Fertilizers Limited

We have reviewed the accompanying Statement of Unaudited Financial results of Mangalore Chemicals & Fertilizers Limited ("the company") for the quarter and half year ended 30th September 2024, being submitted by the company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015, as amended.

Management's Responsibility

The Statement, which is the responsibility of the management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IndAS-34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

Auditor's Responsibility

Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles of the applicable Accounting Standards and other recognized practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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REGISTRATION NO. WITH ICAI IS 003990S/S200018

Emphasis of Matter

We draw attention to Note no 5, which states that the Company had recognized urea subsidy income of Rs. 2914 lakhs in Financial Year ended March 31, 2021, 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 Hon'ble High court of Delhi. Based on legal opinion obtained, the management believes that the criteria for recognition of subsidy revenue is met.

We draw attention to Note 6 of the financial results which describes about the proposed merger of the Company with Paradeep Phospates Limited on a going concern basis.

Our conclusion is not modified in respect of these matters.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Seethalakshmi

Seethalakshmi. M
Partner

Place: Bangalore
Date: 28 Oct 2024

Membership No.208545
ICAI UDIN: 24208545BKAESN7750

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PARADEEP PHOSPHATES LIMITED IN RELATION TO THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

The following members of the board of directors of Paradeep Phosphates Limited (the "**Company**") were present at the meeting:

1. Mr. Saroj Kumar Poddar
2. Mr. N Suresh Krishnan
3. Mr. Dipankar Chatterji
4. Mr. Satyananda Mishra
5. Mr. Subhrakant Panda
6. Mrs. Rita Menon
7. Mr. Soual Mohamed; and
8. Mr. Karim Lotfi Senhadji.

1. Background

1.1 The board of directors of the Company at their meeting held on 7th February, 2024, considered and approved the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**"), the Company and their respective creditors and shareholders ("**Scheme**"), under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable law(s).

1.2 The provisions of Section 232(2)(c) of the Companies Act requires the board of directors of the Company ("**Board**") to adopt a report explaining the effect of the draft Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties ("**Report**").

1.3 This Report is made and adopted by the Board in order to comply with the requirements of Section 232(2)(c) of the Companies Act.

2. Documents perused by the Board

While deliberating on the draft Scheme, the Board, *inter alia*, considered and took on record the following documents:

(a) the draft Scheme;

PARADEEP PHOSPHATES LIMITED
CIN No.: L24129OR1981PLC001020
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Tel: +91 80 46812500/555 • Email: info-ppl@adventz.com
Registered Office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001
Tel: +0674 666 6100 • Fax: +0674 2392631
www.paradeepphosphates.com

(b) the (i) valuation report dated February 7, 2024 issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475, registered valuers appointed by the audit committee of the Board (collectively the "**Valuation Report**");

(c) the fairness opinion dated February 7, 2024 issued by Inga Ventures Private Limited , SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**");

(d) the certificate dated February 7, 2024 issued by B S R & Co. LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles;

(e) report of the Audit Committee of the Company recommending the draft Scheme; and

(f) report of the Committee of Independent Directors of the Company recommending the draft Scheme.

3. Salient features of the Scheme

(a) The draft Scheme, *inter alia*, provides the following:

(i) the amalgamation by way of merger of the Transferor Company with and into the Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(ii) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(iii) issuance and allotment of equity shares of the Resultant Entity (*as defined in the Scheme*) by the Resultant Entity (*as defined in the Scheme*) to the equity shareholders of the Transferor Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(iv) transfer of the authorized share capital of the Transferor Company to the Company and the consequential increase in the authorized share capital of the Company as provided in the draft Scheme; and

(v) dissolution without winding up of the Transferor Company.

4. Rationale and Benefits of the Scheme

The Board noted the rationale / benefits of the draft Scheme, which are set out below:

4.1 The proposed amalgamation will enable the Transferor Company and the Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Transferor Company and the Company are engaged in similar and/or complementary businesses and the proposed amalgamation will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Transferor Company and the Company.

5. Effect of the Scheme on Shareholders and Key Managerial Personnel

(a) Shareholders (including promoter and non-promoter shareholders):

(i) Upon the draft Scheme becoming effective in accordance with its terms, the Company is required to issue and allot fully paid equity shares of the Company to the shareholders of the Transferor Company as of a 'Record Date' (*as defined in the Scheme*), in consideration for the proposed amalgamation of the Transferor Company with and into the Company, as per the share exchange ratio set out in the Valuation Report, and reproduced in paragraph 6 below.

(ii) The Valuation Report and the Fairness Opinion were issued by the registered valuers appointed by the audit committee of the Board and a merchant banker registered with the Securities and Exchange Board of India, respectively, in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India.

(iii) The equity shares of the Company to be issued and allotted to the shareholders of the Transferor Company in terms of the draft Scheme as per the share exchange ratio (as indicated in paragraph 6 below) are to rank *pari passu* in all respects with the existing equity shares of the Company.

(iv) The Valuation Report and the Fairness Opinion provide adequate protection to the shareholders as the share exchange ratio (as indicated in paragraph 6 below) reflects the fair market value of the shares of the Transferor Company and the Company as on the date of the Valuation Report. As a result, the draft Scheme does not have any detrimental effect on the shareholders of the Company.

(b) Key managerial personnel: Upon the draft Scheme becoming effective in accordance with its terms, the employees of the Transferor Company will become employees of the Company on the terms as set out in the draft Scheme. The employees, key managerial personnel of the Company and their respective rights would in no way be affected by the draft Scheme. The key managerial personnel of the Transferor Company may not continue as the key managerial personnel of the Company.

6. Share exchange ratio and valuation

6.1 Upon the draft Scheme becoming effective in accordance with its terms, the Company is required to issue and allot fully paid equity shares of the Company to the shareholders of the Transferor Company as of a 'Record Date' (*as defined in the Scheme*), in consideration for the proposed amalgamation, in the following ratio:

For every 100 fully paid up equity shares of face value of INR 10 each held in the Transferor Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Transferor Company shall be issued 187 equity shares of face value of INR 10 each credited as fully paid up in the Company.

6.2 The Board notes that there are no special valuation difficulties which have been reported by the valuers in their respective Valuation Report.

7. Adoption of the Report by the Directors

7.1 The Board has considered and adopted this Report after noting and considering the information set forth in this Report.

For and on behalf of **the board of directors of Paradeep Phosphates Limited**

N. Suresh Krishnan
Managing Director

PARADEEP PHOSPHATES LTD.

DIN: 00021965
Date: 7th February, 2024
Place: Bengaluru

Mangalore Chemicals
& Fertilizers Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED IN RELATION TO THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST MANGALORE CHEMICALS & FERTILIZERS LIMITED AND PARADEEP PHOSPHATES LIMITED, AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

The following members of the board of directors of Mangalore Chemicals & Fertilizers Limited (the "**Company**") were present at the meeting:

1. Mr. Akshay Poddar- Chairman
2. Mr. Nitin M Kantak, Whole-time Director
3. Mr. Marco Wadia, Independent Director
4. Mr. D A Prasanna, Independent Director
5. Mrs. Kiran Dhingra, Independent Director

1. Background

1.1 The board of directors of the Company at their meeting held on February 07, 2024 considered and approved the draft composite scheme of arrangement amongst the Company, Paradeep Phosphates Limited ("**Transferee Company**") and their respective creditors and shareholders ("**Scheme**"), under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable law(s).

1.2 The provisions of Section 232(2)(c) of the Companies Act requires the board of directors of the Company ("**Board**") to adopt a report explaining the effect of the draft Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties ("**Report**").

1.3 This Report of the Board is made and adopted by the Board in order to comply with the requirements of Section 232(2)(c) of the Companies Act.

2. Documents perused by the Board

While deliberating on the draft Scheme, the Board, *inter alia*, considered and took on record the following documents:

(a) the draft Scheme;

(b) the valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Audit Committee of the Board (collectively the "**Valuation Report**");

(c) the fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**");

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(d) the certificate dated February 7, 2024 issued by M/s. PKF Sridhar & Santhanam, the statutory auditors of the Company, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles;

(e) report of the Audit Committee of the Company recommending the draft Scheme; and

(f) report of the Committee of Independent Directors of the Company recommending the draft Scheme.

3. Salient features of the Scheme

(a) The draft Scheme, *inter alia*, provides the following:

(i) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(ii) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(iii) issuance and allotment of equity shares of the Resultant Entity (*as defined in the Scheme*) by the Resultant Entity (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(iv) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the draft Scheme; and

(v) dissolution without winding up of the Company.

4. Rationale and Benefits of the Scheme

The Board noted the rationale / benefits of the draft Scheme, which are set out below:

4.1 The proposed amalgamation will enable the Transferee Company and the Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Transferee Company and the Company are engaged in similar and/or complementary businesses and the proposed amalgamation will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferee Company

MANGALORE CHEMICALS & FERTILIZERS LTD.★ BANGALORE

and the Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Transferee Company and the Company.

5. Effect of the Scheme on Shareholders and Key Managerial Personnel

(a) Shareholders (including promoter and non-promoter shareholders):

(i) Upon the draft Scheme becoming effective in accordance with its terms, the Transferee Company is required to issue and allot fully paid equity shares of the Transferee Company to the shareholders of the Company as of a 'Record Date' (*as defined in the Scheme*), in consideration for the proposed amalgamation of the Company with and into the Transferee Company, as per the share exchange ratio set out in the Valuation Report, and reproduced in paragraph 6 below.

(ii) The Valuation Report and the Fairness Opinion were issued by the registered valuer appointed by the audit committee of the Board and a merchant banker registered with the Securities and Exchange Board of India, respectively, in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India.

(iii) The equity shares of the Transferee Company to be issued and allotted to the shareholders of the Company in terms of the draft Scheme as per the share exchange ratio (as indicated in paragraph 6 below) are to rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

(iv) The Valuation Report and the Fairness Opinion provide adequate protection to the shareholders as the share exchange ratio (as indicated in paragraph 6 below) reflects the fair market value of the shares of the Company and the Transferee Company as on the date of the Valuation Report. As a result, the draft Scheme does not have any detrimental effect on the shareholders of the Company.

(b) Key managerial personnel: Upon the draft Scheme becoming effective in accordance with its terms, the employees of the Company will become employees of the Transferee Company on the terms as set out in the draft Scheme. The employees, key managerial personnel of the Company and their respective rights would in no way be affected by the draft Scheme. The key managerial personnel of the Company may not continue as the key managerial personnel of the Transferee Company.

6. Share exchange ratio and valuation

6.1 Upon the draft Scheme becoming effective in accordance with its terms, the Transferee Company is required to issue and allot fully paid equity shares of the Transferee Company to the shareholders of the Company as of a 'Record Date' (*as defined in the Scheme*), in consideration for the proposed amalgamation, in the following ratio:

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For every 100 fully paid up equity shares of face value of INR 10 each held in the Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Company shall be issued 187 equity shares of face value of INR 10 each credited as fully paid up in the Transferee Company.

6.2 The Board notes that there are no special valuation difficulties which have been reported by the valuers in their respective Valuation Report.

7. Adoption of the Report by the Directors

7.1 The Board has considered and adopted this Report after noting and considering the information set forth in this Report.

For and on behalf of **the board of directors of Mangalore Chemicals & Fertilizers Limited**

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

Nitin M Kantak
Whole-time Director
DIN: 08029847
Date: February 07, 2024
Place: Bangalore

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PARADEEP PHOSPHATES LIMITED IN RELATION TO THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

The following members of the board of directors of Paradeep Phosphates Limited (the "**Company**") were present at the meeting:

1. Mr. Saroj Kumar Poddar

2. Mr. N Suresh Krishnan

3. Mr. Dipankar Chatterji

4. Mr. Satyananda Mishra

5. Mr. Subhrakant Panda

6. Mrs. Rita Menon

7. Mr. Soual Mohamed; and

8. Mr. Karim Lotfi Senhadji

1. Background

1.1 The board of directors of the Company at their meeting held on 7th February, 2024, considered and approved the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**"), the Company and their respective creditors and shareholders (**"Original Scheme**"), under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable law(s).

1.2 Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3 The BSE Limited and the National Stock Exchange of India Limited vide their letters dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have shared the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4 This Board meeting is in continuation of the meeting of Board held on 07th February 2024 in

PARADEEP PHOSPHATES LTD. * BANGALORE *

respect of limited modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and to take note and approve the latest valuation report dated November 25, 2024 (**"Valuation Report"**), jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Audit Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report (**"Fairness Opinion"**). Upon perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Board notes that there is no change in the brief background of the Transferor Company and the Company, salient features of the Modified Scheme, synergies of business of the entities involved in the Modified Scheme, cost benefit analysis of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5 The provisions of Section 232(2)(c) of the Companies Act requires the board of directors of the Company ("**Board**") to adopt a report explaining the effect of the draft Modified Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties ("**Report**").

1.6 Therefore, a meeting of the Board was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme. This Report is made and adopted by the Board in order to comply with the requirements of Section 232(2)(c) of the Companies Act.

1.7 This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Board made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Board

While deliberating on the draft Modified Scheme, the Board, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and following documents:

(a) the draft Modified Scheme;

(b) the Valuation Report dated November 25, 2024;

(c) the Fairness Opinion dated November 25, 2024;

(d) the report of the audit committee of the Board dated November 25, 2024 recommending the draft Modified Scheme for approval; and

(e) the report of the committee of the independent directors dated November 25, 2024

PARADEEP PHOSPHATES LTD. BANGALORE

recommending the draft Modified Scheme for approval.

3. Salient features of the Modified Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Transferor Company), and consequently, the aggregate cash consideration to be paid by the Transferee Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Transferor Company and the Company require the existing promoter of the Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Company even after the Modified Scheme becomes effective.

4. Effect of the Modified Scheme on Shareholders and Key Managerial Personnel

(a) Shareholders (including promoter and non-promoter shareholders):

(i) Upon the draft Modified Scheme becoming effective in accordance with its terms, the Company is required to issue and allot fully paid equity shares of the Company to the shareholders of the Transferor Company as of a 'Record Date' (*as defined in the Modified Scheme*), in consideration for the proposed amalgamation of the Transferor Company with and into the Company, as per the share exchange ratio set out in the Valuation Report.

(ii) The Valuation Report and the Fairness Opinion were issued by the registered valuers appointed by the audit committee of the Board and a merchant banker registered with the Securities and Exchange Board of India, respectively, in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India.

(iii) The equity shares of the Company to be issued and allotted to the shareholders of the Transferor Company in terms of the draft Modified Scheme as per the share exchange ratio are to rank *pari passu* in all respects with the existing equity shares of the Company.

(iv) The Valuation Report and the Fairness Opinion provide adequate protection to the shareholders as the share exchange ratio reflects the fair market value of the shares of the Transferor Company and the Company as on the date of the

PARADEEP PHOSPHATES LTD. * BANGALORE *

Valuation Report. As a result, the draft Modified Scheme does not have any detrimental effect on the shareholders of the Company.

(b) Key managerial personnel: Upon the draft Modified Scheme becoming effective in accordance with its terms, the employees of the Transferor Company will become employees of the Company on the terms as set out in the draft Modified Scheme. The employees, key managerial personnel of the Company and their respective rights would in no way be affected by the draft Modified Scheme. The key managerial personnel of the Transferor Company may not continue as the key managerial personnel of the Company.

5. Share exchange ratio and valuation

Based on the Valuation Report and the Fairness Opinion, there is no change in the share exchange ratio as stated in Part II of the Original Scheme and the Modified Scheme.

The Board notes that there are no special valuation difficulties which have been reported by the valuers in Valuation Report.

6. Adoption of the Report by the Directors

The Board has considered and adopted this Report after noting and considering the information set forth in this Report.

For and on behalf of **the board of directors of Paradeep Phosphates Limited**

Suresh Krishnan

N. Suresh Krishnan
Managing Director

PARADEEP PHOSPHATES LTD. * BANGALORE *

DIN: 00021965
Date: 25th November, 2024
Place: Bengaluru

Mangalore Chemicals
& Fertilizers Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED IN RELATION TO THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS, PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

The following members of the board of directors of Mangalore Chemicals & Fertilizers Limited ("**Company**") were present at the meeting:

1. Mr. Akshay Poddar
2. Mr. Nitin M Kantak
3. Mr. Marco Wadia
4. Mr. D A Prasanna

1. Background

1.1 The board of directors of the Company at their meeting held on 7th February, 2024, considered and approved the draft composite scheme of arrangement amongst the Company, Paradeep Phosphates Limited ("**Transferee Company**") and their respective creditors and shareholders (**"Original Scheme**"), under Sections 230 to 232 of the Companies Act, 2013 ("**Companies Act**") and other applicable law(s).

1.2 Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3 The BSE Limited and the National Stock Exchange of India Limited vide their letters dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have shared the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4 This Board meeting is in continuation of the meeting of Board held on 07th February 2024 in respect of limited modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and to take note and approve the latest valuation report dated November 25, 2024 (**"Valuation Report"**), jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Audit Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker with registration number INM000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report **("Fairness Opinion")**. Upon perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Board notes that there is no change in the brief background of the Company and the Transferee Company, salient features of the Modified Scheme, synergies of

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Tel: +91 80 4585 5535/36 Fax: +91 80 4585 5588 E-mail: hofin.mcfl@adventz.com
Website: www.mangalorechemicals.com
Corporate Identity Number: L24123KA1966PLC002036

business of the entities involved in the Modified Scheme, cost benefit analysis of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5 The provisions of Section 232(2)(c) of the Companies Act requires the board of directors of the Company ("**Board**") to adopt a report explaining the effect of the draft Modified Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties ("**Report**").

1.6 Therefore, a meeting of the Board was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme. This Report is made and adopted by the Board in order to comply with the requirements of Section 232(2)(c) of the Companies Act.

1.7 This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Board made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Board

While deliberating on the draft Modified Scheme, the Board, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and following documents:

(a) the draft Modified Scheme;

(b) the Valuation Report dated November 25, 2024;

(c) the Fairness Opinion dated November 25, 2024;

(d) the report of the audit committee of the Board dated November 25, 2024 recommending the draft Modified Scheme for approval; and

(e) the report of the committee of the independent directors dated November 25, 2024 recommending the draft Modified Scheme for approval.

3. Salient features of the Modified Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Transferor

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Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Modified Scheme becomes effective.

4. Effect of the Modified Scheme on Shareholders and Key Managerial Personnel

(a) Shareholders (including promoter and non-promoter shareholders):

(i) Upon the draft Modified Scheme becoming effective in accordance with its terms, the Transferee Company is required to issue and allot fully paid equity shares of the Transferee Company to the shareholders of the Company as of a 'Record Date' (*as defined in the Modified Scheme*), in consideration for the proposed amalgamation of the Company with and into the Transferee Company, as per the share exchange ratio set out in the Valuation Report.

(ii) The Valuation Report and the Fairness Opinion were issued by the registered valuers appointed by the audit committee of the Board and a merchant banker registered with the Securities and Exchange Board of India, respectively, in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India.

(iii) The equity shares of the Transferee Company to be issued and allotted to the shareholders of the Company in terms of the Modified Scheme as per the share exchange ratio are to rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

(iv) The Valuation Report and the Fairness Opinion provide adequate protection to the shareholders as the share exchange ratio reflects the fair market value of the shares of the Company and the Transferee Company as on the date of the Valuation Report. As a result, the Modified Scheme does not have any detrimental effect on the shareholders of the Company.

(b) Key managerial personnel: Upon the draft Modified Scheme becoming effective in accordance with its terms, the employees of the Company will become employees of the Transferee Company on the terms as set out in the Modified Scheme. The employees of the Company and their respective rights would in no way be affected by the Modified

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Scheme. The key managerial personnel of the Company may not continue as the key managerial personnel of the Transferee Company.

5. Share exchange ratio and valuation

Based on the Valuation Report and the Fairness Opinion, there is no change in the share exchange ratio as stated in Part II of the Original Scheme and the Modified Scheme.

The Board notes that there are no special valuation difficulties which have been reported by the valuers in Valuation Report.

6. Adoption of the Report by the Directors

The Board has considered and adopted this Report after noting and considering the information set forth in this Report.

For and on behalf of **the board of directors of Mangalore Chemicals & Fertilizers Limited**

Nitin M Kantak
Whole-time Director
DIN: 08029847
Date: 25th November, 2024
Place: Bengaluru

Registered Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.
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SSPA & CO.	Pawan Shivkumar Poddar
Chartered Accountants	Registered Valuer - Securities and Financial Assets
Registered Valuer -Securities or Financial Assets	IBBI Registration Number: IBBI/RV/06/2019/12475
IBBI Registration No. IBBI/RV-E/06/2020/126	B 116/117, Durian Estate,
1st Floor, "Arjun" Plot No. 6A,	Goregaon Mulund Link Road,
V.P. Road, Andheri (West)	Goregaon East,
Mumbai – 400 058	Mumbai 400 063

Date: February 07, 2024

To,	To,
The Audit Committee / Board of Directors,	The Audit Committee / Board of Directors,
Paradeep Phosphates Limited,	Mangalore Chemicals and Fertilizers Limited
5th floor, Orissa State Handloom Weavers'	Level 11, UB Tower,
Co-operative Building, Pandit J.N Marg,	UB City 24, Vittal Mallya Road,
Bhubaneshwar – 751 001, Orissa	Bengaluru - 560 001, Karnataka

Subject: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Mangalore Chemicals and Fertilizers Limited ('MCFL') with Paradeep Phosphates Limited ('PPL')

Dear Sir/Madam,

We refer to the engagement letters dated December 18, 2023 whereby, SSPA & Co., Chartered Accountants - Registered Valuer – Securities or Financial Assets (hereinafter referred to as 'SSPA') and Pawan Shivkumar Poddar, Registered Valuer – Securities and Financial Assets (hereinafter referred to as 'PSP') have been appointed by Paradeep Phosphates Limited (hereinafter referred to as 'PPL') and engagement letters dated December 19, 2023 whereby, SSPA and PSP have been appointed by Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as 'MCFL') to recommend a fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL ('Proposed Amalgamation'), as more particularly provided for in the Draft Composite Scheme of Arrangement.

PPL and MCFL are hereinafter together referred to as the 'Transacting Companies' or 'the Companies' or 'the Clients' or 'the Valuation Subjects' and individually referred to as "Company", as the context may require.

SSPA and PSP are hereinafter jointly referred to as "Valuers" or "we" or "us" in this report.

The Management including the Board of Directors of the Transacting Companies shall together be referred to as 'the Management'.

This report sets out our scope of work, background, sources of information, procedures performed by us and our recommendation of the fair equity share exchange ratio.

SSPA & CO. ★ CHARTERED ACCOUNTANTS ★ REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR ★ R. No. IBBI/RV/ 06/2019/12475 ★ Registered Valuer

COMPANIES BACKGROUND

Paradeep Phosphates Limited ('PPL' or 'Transferee Company')

- PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa.
- PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers.
- The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- The standalone revenue from operations of the Transferee Company for nine months period ended December 31, 2023 is INR 9,332.38 crores.

Mangalore Chemicals and Fertilizers Limited ('MCFL' or 'Transferor Company')

- MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka.
- MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.
- MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'), an Adventz Group company.
- The equity shares of MCFL are listed on both NSE and BSE.
- The revenue from operations of the Transferor Company for nine months period ended December 31, 2023 is INR 3,009.05 crores.

BACKGROUND OF VALUERS

SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with the ICAI. We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

PAWAN SHIVKUMAR PODDAR, REGISTERED VALUER – SECURITIES AND FINANCIAL ASSETS

PSP is a practicing Chartered Accountant registered with The Institute of Chartered Accountants of India ('ICAI') and located at B 116/117, Durian Estate, Goregaon Mulund Link Road, Goregaon East, Mumbai 400 063. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities and Financial Assets' with Registration No. IBBI/RV/06/2019/12475.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the Managements of the Transacting Companies are contemplating a composite scheme of arrangement, wherein they intend to amalgamate MCFL with PPL in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein ("the Regulations"), in each case, as amended from time to time, and in a manner provided in the Draft Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme').

We understand that as consideration for the proposed amalgamation of MCFL with PPL, equity shares of PPL would be issued to equity shareholders of MCFL.

In this connection, Transacting Companies have appointed SSPA and PSP, Registered Valuers under the Companies Act, 2013, to submit a joint valuation report recommending the fair equity share exchange ratio to Audit Committee / Board of Directors of the Companies for the Proposed Amalgamation (hereinafter referred to as "Report").

We understand that the appointed date for the Proposed Amalgamation shall be such date as mentioned in the Scheme or such other date as the National Company Law Tribunal ('NCLT') may direct.

For the purpose of this Report, we have considered Valuation Date to be February 06, 2024 ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Transacting Companies using internationally accepted valuation methodologies as may be applicable to the Transacting Companies and then arrive at the fair equity share exchange ratio and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 ('ICAI VS') notified by ICAI and requirement prescribed by the regulations applicable to listed companies as prescribed by SEBI.

The Valuers have worked independently in their analysis. The Valuers have independently arrived at different values per share of the Valuation Subjects. However, to arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation, appropriate minor adjustments, rounding-off has been done in the values arrived at by the Valuers.

We have been provided with the limited reviewed financial statements of PPL and MCFL for the nine months period ended December 31, 2023. We have taken into consideration the current market parameters in our analysis and have adjusted for additional facts made known to us till the date of our Report. The Management has informed us that there are no unusual / abnormal events in the Transacting Companies materially impacting their operating / financial performance after December 31, 2023, until the Report Date. Further, we have been informed by the Management that to the best of their knowledge, material information regarding the business of each of the Transacting Companies has been disclosed to us.

We have relied on the above while arriving at fair equity share exchange ratio for the Proposed Amalgamation.

We have been informed that:

a) With effect from the appointed date, and up to and including the effective date, there would not be any capital variation in the Transacting Companies except by mutual consent of the Board of Directors of Transacting Companies or such other events as contemplated in the Scheme.

b) Till the Proposed Amalgamation becomes effective, neither of the Transacting Companies would declare any dividend which are materially different from those declared in the past few years.

c) There would be no significant variation between the draft Scheme of arrangement and the final scheme approved and submitted with the relevant authorities.

We have been informed that, in the event either of the Transacting Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares / merger / demerger / reduction of share capital before the Scheme becomes effective, the issue of shares pursuant to the fair equity share exchange ratio recommended in this Report shall be adjusted accordingly to consider the effect of any such corporate actions.

This Report is our deliverable for the above engagement and is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter.

As such, the Report is to be read in totality and not in parts and in conjunction with the relevant documents referred to therein.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/ 06/2019/12475 Registered Valuer

SOURCES OF INFORMATION

In connection with this exercise, we have received / obtained the following information about the Transacting Companies from the Management of the respective company:

- Audited financial statements of PPL and MCFL for the financial year ended March 31, 2023;
- Limited reviewed financial statements of PPL and MCFL for the nine months period ended December 31, 2023 ('9ME Dec23');
- Financial Projections of PPL and MCFL which represents the Management's best estimate of the future financial performance of the Transacting Companies ('Management Projections');
- Draft Composite Scheme of Arrangement;
- Discussions with the Managements to obtain requisite explanation and clarification of data provided, to inter-alia understand their perception of historical and expected future performance of PPL and MCFL;
- Information available in public domain and databases subscribed by us; and
- Other relevant information and documents for the purpose of this engagement.

During the discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by us in any detail, if not considered relevant for the defined scope. The Clients have been provided with the opportunity to review the draft report (excluding the recommended fair equity share exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our Report.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and operational information.
- Used data available in public domain related to the Companies and their peers.
- Discussions (physical / over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about the historical financial performance, current state of affairs, business plans, and the future performance estimates.
- Identification of suitable comparable companies in discussion with the Management.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
- Obtained and analysed market prices, volume data and other relevant information for the Companies.
- Reviewed the financial projections provided by the Management for the Companies including understanding basis of preparation and the underlying assumptions.
- Selection of appropriate internationally accepted valuation methodology/(ies), after deliberations and consideration to the sector in which the Transacting Companies operate and analysis of their business operations.
- Arrived at the equity value of the Transacting Companies in order to determine fair equity share exchange ratio for the Proposed Amalgamation.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This Report is subject to the limitations detailed in respective engagement letters. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

This Report, its contents and the results herein are specific and subject to

- the purpose of valuation agreed as per the terms of our engagement;
- the date of this Report ("Report Date");
- limited reviewed financial statements of the Companies for 9ME Dec23;
- financial projections and underlying assumptions as provided by the Management of the Companies;
- accuracy of the information available in public domain with respect to the comparable companies identified including financial information;
- market price reflecting the fair value of the underlying equity shares of the Companies; and
- data detailed in the Section - Sources of Information.

We have been informed that the business activities of Transacting Companies have been carried out in the normal and ordinary course between December 31, 2023 and the Report Date and that no material changes have occurred in their respective operations and financial position between December 31, 2023 and the Report Date.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the respective engagements. It may not be valid for any other purpose or as of any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair equity share exchange ratio for the Proposed Amalgamation. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the Management / Board of Directors of the respective Company and our work and findings shall not constitute recommendation as to whether or not the Management / the Board of Directors of the Company should carry out the Proposed Amalgamation.

The determination of fair value for arriving at fair equity share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the fair equity share exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should consider other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our respective engagements, we have carried out relevant analysis and evaluations through discussions, calculations and such other means, as may be applicable and available. We have assumed and relied upon, without independently verifying (i) the accuracy of the information that was publicly available, sourced from subscribed databases; and (ii) the accuracy of information made available to us by the Companies; both of which formed a substantial basis for this Report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. In accordance with the terms of our engagement / appointment letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financials / financial information or individual assets or liabilities, provided to us regarding the Companies / subsidiary / associates / joint ventures / investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in such historical financials / financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by / on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results.

It may herein be noted that the projections are responsibility of the Management. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, or examination of any of the historical or prospective information used and therefore, we do not express any opinion with regard to the same.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. This Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies. No investigation of Companies' claims to title of assets has been made for the purpose of this Report and Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest balance sheets remain intact as of the Report Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Clients are the only authorized user of this Report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Clients from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this report. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Clients or Companies, their directors, employees or agents. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

We accept no responsibility or any direct or indirect liability towards any third party including but not limited to any person, who may have been provided a copy of this Report for intended use in connection with the Scheme and hence, no party other than the Client shall have any recourse to us in relation to this engagement. In no event, we shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

We have not carried out any physical verification of the assets and liabilities of the Transacting Companies and take no responsibility for the identification of such assets and liabilities.

This Report does not look into the business / commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of fair equity share exchange ratio for the Proposed Amalgamation only.

We must emphasize that realization of forecasted free cash flow or the realizability of the assets at the values considered in our analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

The valuation analysis and results thereof for recommendation under this Report are governed by concept of materiality.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair equity share exchange ratio for the Proposed Amalgamation and relevant filings with regulatory authorities in this regard, without our prior written consent.

In addition, this Report does not in any manner address the price at which equity share of PPL and MCFL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our report and opinion / valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

We will owe the responsibility only to the Board of Directors of PPL and MCFL.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

Disclosure of Registered Valuers' Interest or Conflict, if any and other affirmative statements

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report Date. We further state that we are not related to the Company or their promoters or their directors or their relatives. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.

SHAREHOLDING PATTERNS

PPL

As of December 31, 2023, the shareholding of PPL comprises 81,47,39,453 equity shares of face value INR 10 each.

Particulars	No. of shares	% Shareholding
Promoter and Group	45,69,42,507	56.08%
Public	35,77,96,946	43.92%
Total	**81,47,39,453**	**100.00%**

Source: BSE Filings

MCFL

As of December 31, 2023, the shareholding of MCFL comprises 11,85,15,150 equity shares of face value INR 10 each.

Particulars	No. of shares	% Shareholding
Promoter and Group	7,18,51,686	60.63%
Public	4,66,63,464	39.37%
Total	**11,85,15,150**	**100.00%**

Source: BSE Filings

APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO:

The Proposed Amalgamation contemplates the amalgamation of MCFL with PPL. Arriving at the fair equity share exchange ratio for the Proposed Amalgamation would require determining the relative value of equity shares of Transacting Companies. These values are to be determined independently, but on a relative basis for the Valuation Subjects, without considering the effect of the Proposed Amalgamation.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Amalgamation and our reasonable judgment, in an independent and bona fide manner.

The Valuation Approach adopted by SSPA and PSP is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

BASIS FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

Recommendation of equity share exchange ratio for the proposed amalgamation of MCFL with PPL

The basis of the amalgamation of MCFL with PPL would have to be determined after taking into consideration all the factors and methods mentioned hereinafter. Though different values have been arrived at under each of the approaches / methods as mentioned in the Annexures, for the purpose of recommending the fair equity share exchange ratio of equity shares it is necessary to arrive at a final value for each Valuation Subject. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Valuation Subjects, but at their relative values to facilitate the determination of the fair equity share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair equity share exchange ratio has been arrived at on the basis of a relative equity valuation of Valuation Subjects based on the various approaches / methods explained in the Annexures and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Valuation Subjects, having regard to information base, key underlying assumptions and limitations.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair equity share exchange ratio. The final responsibility for the determination of the exchange ratio at which the amalgamation of MCFL with PPL shall take place will be with the Board of Directors of the respective Companies who should consider other factors such as their own assessment of the amalgamation of MCFL with PPL and input of other advisors.

We have independently applied approaches / methods discussed in the Annexures, as considered appropriate, and arrived at the relative value per share of the Companies. To arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation of MCFL with PPL, suitable minor adjustments / rounding off have been done.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Amalgamation of MCFL with PPL per se or accounting, legal or tax matters involved in the Proposed Amalgamation.

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PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions describe in this report and the engagement letter, we recommend the fair equity share exchange ratio as follows:

To the equity shareholders of MCFL

*"**187 (One Hundred and Eighty Seven)** equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued **for every 100 (One Hundred)** equity shares held in MCFL having face value of INR 10 each fully paid-up".*

Respectfully submitted, **For SSPA & Co.,** **Chartered Accountants** ICAI Firm Registration No: 128851W IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126	Respectfully submitted,
Parag S. Ved	Pawan Poddar
Parag Ved, Partner ICAI Membership No. 102432 Registered Valuer No.: IBBI/RV/06/2018/10092 UDIN: 24102432BKCIWV3178 Place: Bengaluru Date: February 07, 2024	**Pawan Shivkumar Poddar** ICAI Membership No. 113280 Registration Number: IBBI/RV/06/2019/12475 UDIN: 24113280BKFEVW4461 Place: Bengaluru Date: February 07, 2024

Annexure IA - Valuation Workings SSPA:

VALUATION APPROACHES

Bases and Premise of Valuation

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Cost Approach – Net Asset Value method
2. Market Approach:
    a) Market Price method
    b) Comparable Companies Multiple method
3. Income Approach – Discounted Cash Flow method

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

1. Cost Approach - Net Asset Value Method ('NAV')

The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

PPL and MCFL

In the present case, the business of PPL and of MCFL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise.

2. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

PPL and MCFL

In the present case, the equity shares of PPL and MCFL are listed on NSE and BSE. The value of equity shares of PPL and MCFL under this method is determined considering the share prices of PPL and MCFL on NSE over an appropriate period.

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

Under CCM method, the value of equity shares of companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully.

PPL and MCFL

In the present case, PPL and MCFL have been valued based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.

3. Income Approach - Discounted Cash Flows Method ('DCF')

Under the Income Approach, equity shares of PPL and MCFL are valued using DCF Method.

Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to earnings before interest and tax (i) depreciation and amortizations (non-cash charge), and (ii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the respective Companies.

To the value so arrived, appropriate adjustments have been made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to arrive at the equity value.

Fair equity share exchange ratio:

(INR)

Method of Valuation	PPL		MCFL	
	Value per Share	**Weights**	**Value per Share**	**Weights**
Asset Approach*	NA	NA	NA	NA
Income Approach				
- DCF Method	78.07	50%	146.24	50%
Market Approach				
- MP Method	78.58	25%	138.72	25%
- CCM Method	73.42	25%	144.80	25%
Relative value per share	**77.04**		**144.00**	
Fair Equity Share Exchange	**187 : 100**			

NA = Not Applied / Not Applicable

**Since, the business of PPL and MCFL are both intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset (Cost) Approach is not adopted for the present valuation exercise.*

Annexure IB - Valuation Workings PSP:

VALUATION APPROACHES

Bases and Premise of Valuation

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

It should be understood that the valuation of any business / company / shares or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to market, industry performance, general business and economic conditions, many of which are beyond the control of the company.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Asset Approach – Net Asset Value method
2. Market Approach:
    a) Market Price method
    b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method

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For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

1. Asset Approach - Net Asset Value Method ('NAV')

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be used in case where the firm is to be liquidated or in case where the assets base dominates earning capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

PPL and MCFL

In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Further PPL and MCFL have self-generated intangibles in the form of proprietary processes and products which are not currently recorded in the financial statements of both companies, hence the value arrived under the Net Asset Value Method will not represent the intrinsic value of the business. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.

2. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

PPL and MCFL

In the present case, equity shares of PPL and MCFL are listed on NSE and BSE, they are widely held, regularly and frequently traded with reasonable volumes on both the exchanges. We have therefore used the market price method to value the equity shares of PPL and MCFL.

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

Under CCM, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are comparable listed companies which operate in a similar line of business having similar financial/ operating metrics as that of PPL and MCFL, we have therefore used CCM Method based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.

3. Income Approach - Discounted Cash Flows Method ('DCF')

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available for distribution to both the owners of and lenders to the business. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows are discounted by the Weighted Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of both debt and equity weighed to their relative funding in the entity. Appropriate adjustments are made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to determine the equity value of the Companies.

PPL and MCFL are profit making companies and generate surplus cash which is expected to continue going forward, we have therefore used DCF Method to arrive at the equity value of PPL and MCFL.

Fair equity share exchange ratio:

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(INR)

Method of Valuation	**PPL**		**MCFL**	
	Value per Share	**Weights**	**Value per Share**	**Weights**
Asset Approach*	NA	NA	NA	NA
Income Approach				
- DCF Method	78.10	50%	146.36	50%
Market Approach				
- MP Method	76.51	25%	132.87	25%
- CCM Method	73.61	25%	148.36	25%
Relative value per share	**76.58**		**143.49**	
Fair Equity Share Exchange	**187 : 100**			

NA = Not Applied / Not Applicable

**In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.*

SSPA & CO. **Chartered Accountants** Registered Valuer -Securities or Financial Assets IBBI Registration No. IBBI/RV-E/06/2020/126 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (West) Mumbai – 400 058	**Pawan Shivkumar Poddar** Registered Valuer - Securities and Financial Assets IBBI Registration Number: IBBI/RV/06/2019/12475 B 116/117, Durian Estate, Goregaon Mulund Link Road, Goregaon East, Mumbai 400 063

Date: November 25, 2024

To,
The Audit Committee / Board of Directors,
Paradeep Phosphates Limited,
5th floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J.N Marg,
Bhubaneshwar – 751 001, Orissa

To,
The Audit Committee / Board of Directors,
Mangalore Chemicals and Fertilizers Limited
Level 11, UB Tower,
UB City 24, Vittal Mallya Road,
Bengaluru - 560 001, Karnataka

Subject: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Mangalore Chemicals and Fertilizers Limited ('MCFL') with Paradeep Phosphates Limited ('PPL')

Dear Sir/Madam,

We refer to the engagement letter dated December 18, 2023 and addendum letter dated November 14, 2024 whereby, SSPA & Co., Chartered Accountants - Registered Valuer – Securities or Financial Assets (hereinafter referred to as 'SSPA') and Pawan Shivkumar Poddar, Registered Valuer – Securities and Financial Assets (hereinafter referred to as 'PSP') have been appointed by Paradeep Phosphates Limited (hereinafter referred to as 'PPL') and engagement letter dated December 19, 2023 and addendum letter dated November 14, 2024 whereby, SSPA and PSP have been appointed by Mangalore Chemicals and Fertilizers Limited (hereinafter referred to as 'MCFL') to recommend a fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL ('Proposed Amalgamation'), as more particularly provided for in the Draft Composite Scheme of Arrangement.

PPL and MCFL are hereinafter together referred to as the 'Transacting Companies' or 'the Companies' or 'the Clients' or 'the Valuation Subjects' and individually referred to as "Company", as the context may require.

SSPA and PSP are hereinafter jointly referred to as "Valuers" or "we" or "us" in this report.

The Management including the Board of Directors of the Transacting Companies shall together be referred to as 'the Management'.

This report sets out our scope of work, background, sources of information, procedures performed by us and our recommendation of the fair equity share exchange ratio.

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PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

COMPANIES BACKGROUND

Paradeep Phosphates Limited ('PPL' or 'Transferee Company')

- PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa.
- PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers.
- The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- The standalone revenue from operations of the Transferee Company for six months period ended September 30, 2024 is INR 6,221.27 crores.

Mangalore Chemicals and Fertilizers Limited ('MCFL' or 'Transferor Company')

- MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka.
- MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra.
- MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'), an Adventz Group company.
- The equity shares of MCFL are listed on both NSE and BSE.
- The revenue from operations of the Transferor Company for six months period ended September 30, 2024 is INR 1,590.44 crores.

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BACKGROUND OF VALUERS

SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with the ICAI. We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

PAWAN SHIVKUMAR PODDAR, REGISTERED VALUER – SECURITIES AND FINANCIAL ASSETS

PSP is a practicing Chartered Accountant registered with The Institute of Chartered Accountants of India ('ICAI') and located at B 116/117, Durian Estate, Goregaon Mulund Link Road, Goregaon East, Mumbai 400 063. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities and Financial Assets' with Registration No. IBBI/RV/06/2019/12475.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the Managements of the Transacting Companies are contemplating a composite scheme of arrangement, wherein they intend to amalgamate MCFL with PPL in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein ("the Regulations"), in each case, as amended from time to time, and in a manner provided in the Draft Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme').

We understand that as consideration for the proposed amalgamation of MCFL with PPL, equity shares of PPL would be issued to equity shareholders of MCFL.

For this purpose, SSPA and PSP had issued a joint valuation report dated February 07, 2024, recommending a fair equity share exchange ratio.

Subsequently, the Competition Commission of India vide its letter dated July 30, 2024, had approved the transactions contemplated under the Scheme. BSE and NSE vide its letter dated September 02, 2024 and September 11, 2024 respectively, have provided the observation made by the Securities and Exchange Board of India ('SEBI'). In continuation of the existing draft Scheme, the Transacting Companies have proposed to make limited modification in the draft Scheme (such draft scheme after limited modification is referred to as the 'Modified Scheme') in conformity with the observation of SEBI. Accordingly, the Transacting Companies are now in the process of filing the draft Modified Scheme for board's approval.

In this connection, Transacting Companies have appointed SSPA and PSP, Registered Valuers under the Companies Act, 2013, to submit a joint valuation report recommending the fair equity share exchange ratio, based on financials for period ended September 30, 2024, to Audit Committee / Board of Directors of the Companies for the Proposed Amalgamation (hereinafter referred to as "Report").

We understand that the appointed date for the Proposed Amalgamation shall be such date as mentioned in the Modified Scheme or such other date as the National Company Law Tribunal ('NCLT') may direct.

For the purpose of this Report, we have considered Valuation Date to be November 24, 2024 ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Transacting Companies using internationally accepted valuation methodologies as may be applicable to the Transacting Companies and then arrive at the fair equity share exchange ratio and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 ('ICAI VS') notified by ICAI and requirement prescribed by the regulations applicable to listed companies as prescribed by SEBI.

The Valuers have worked independently in their analysis. The Valuers have independently arrived at different values per share of the Valuation Subjects. However, to arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation, appropriate minor adjustments, rounding-off has been done in the values arrived at by the Valuers.

We have been provided with the limited reviewed financial statements of PPL and MCFL for the six months period ended September 30, 2024. We have taken into consideration the current market parameters in our analysis and have adjusted for additional facts made known to us till the date of our Report. The Management has informed us that there are no unusual / abnormal events in the

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

Transacting Companies materially impacting their operating / financial performance after September 30, 2024, until the Report Date. Further, we have been informed by the Management that to the best of their knowledge, material information regarding the business of each of the Transacting Companies has been disclosed to us.

We have relied on the above while arriving at fair equity share exchange ratio for the Proposed Amalgamation.

We have been informed that:

a) With effect from the appointed date, and up to and including the effective date, there would not be any capital variation in the Transacting Companies except by mutual consent of the Board of Directors of Transacting Companies or such other events as contemplated in the Scheme.

b) Till the Proposed Amalgamation becomes effective, neither of the Transacting Companies would declare any dividend which are materially different from those declared in the past few years.

c) There would be no significant variation between the draft Scheme of arrangement and the final scheme approved and submitted with the relevant authorities.

We have been informed that, in the event either of the Transacting Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares / merger / demerger / reduction of share capital before the Scheme becomes effective, the issue of shares pursuant to the fair equity share exchange ratio recommended in this Report shall be adjusted accordingly to consider the effect of any such corporate actions.

This Report is our deliverable for the above engagement and is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter.

As such, the Report is to be read in totality and not in parts and in conjunction with the relevant documents referred to therein.

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PAWAN SHIVKUMAR PODDAR ★ R. No. IBBI/RV/06/2019/12475 ★ Registered Valuer

SOURCES OF INFORMATION

In connection with this exercise, we have received / obtained the following information about the Transacting Companies from the Management of the respective company:

- Audited financial statements of PPL and MCFL for the financial year ended March 31, 2024;
- Limited reviewed financial statements of PPL and MCFL for the six months period ended September 30, 2024 ('6ME Sep24');
- Financial Projections of PPL and MCFL which represents the Management's best estimate of the future financial performance of the Transacting Companies ('Management Projections');
- Draft Composite Modified Scheme of Arrangement;
- Scheme Modification Report;
- Discussions with the Managements to obtain requisite explanation and clarification of data provided, to inter-alia understand their perception of historical and expected future performance of PPL and MCFL;
- Information available in public domain and databases subscribed by us; and
- Other relevant information and documents for the purpose of this engagement.

During the discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by us in any detail, if not considered relevant for the defined scope. The Clients have been provided with the opportunity to review the draft report (excluding the recommended fair equity share exchange ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our Report.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and operational information.
- Used data available in public domain related to the Companies and their peers.
- Discussions (physical / over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
  - Enquire about the historical financial performance, current state of affairs, business plans, and the future performance estimates.
- Identification of suitable comparable companies in discussion with the Management.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
- Obtained and analysed market prices, volume data and other relevant information for the Companies.
- Reviewed the financial projections provided by the Management for the Companies including understanding basis of preparation and the underlying assumptions.
- Selection of appropriate internationally accepted valuation methodology/(ies), after deliberations and consideration to the sector in which the Transacting Companies operate and analysis of their business operations.
- Arrived at the equity value of the Transacting Companies in order to determine fair equity share exchange ratio for the Proposed Amalgamation.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This Report is subject to the limitations detailed in respective engagement letters. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

This Report, its contents and the results herein are specific and subject to

- the purpose of valuation agreed as per the terms of our engagement;
- the date of this Report ("Report Date");
- limited reviewed financial statements of the Companies for 6ME Sep24;
- financial projections and underlying assumptions as provided by the Management of the Companies;
- accuracy of the information available in public domain with respect to the comparable companies identified including financial information;
- market price reflecting the fair value of the underlying equity shares of the Companies; and
- data detailed in the Section - Sources of Information.

We have been informed that the business activities of Transacting Companies have been carried out in the normal and ordinary course between September 30, 2024 and the Report Date and that no material changes have occurred in their respective operations and financial position between September 30, 2024 and the Report Date.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the respective engagements. It may not be valid for any other purpose or as of any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair equity share exchange ratio for the Proposed Amalgamation. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the Management / Board of Directors of the respective Company and our work and findings shall not constitute recommendation as to whether or not the Management / the Board of Directors of the Company should carry out the Proposed Amalgamation.

The determination of fair value for arriving at fair equity share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the fair equity share exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Transacting Companies, who should consider other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our respective engagements, we have carried out relevant analysis and evaluations through discussions, calculations and such other means, as may be applicable and available. We have assumed and relied upon, without independently verifying (i) the accuracy of the information that was publicly available, sourced from subscribed databases; and (ii) the accuracy of information made available to us by the Companies; both of which formed a substantial basis for this Report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. In accordance with the terms of our engagement / appointment letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financials / financial information or individual assets or liabilities, provided to us regarding the Companies / subsidiary / associates / joint ventures / investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in such historical financials / financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by / on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results.

It may herein be noted that the projections are responsibility of the Management. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, or examination of any of the historical or prospective information used and therefore, we do not express any opinion with regard to the same.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. This Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies. No investigation of Companies' claims to title of assets has been made for the purpose of this Report and Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest balance sheets remain intact as of the Report Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Clients are the only authorized user of this Report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Clients from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this report. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Clients or Companies, their directors, employees or agents. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

We accept no responsibility or any direct or indirect liability towards any third party including but not limited to any person, who may have been provided a copy of this Report for intended use in connection with the Scheme and hence, no party other than the Client shall have any recourse to us in relation to this engagement. In no event, we shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

We have not carried out any physical verification of the assets and liabilities of the Transacting Companies and take no responsibility for the identification of such assets and liabilities.

This Report does not look into the business / commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of fair equity share exchange ratio for the Proposed Amalgamation only.

We must emphasize that realization of forecasted free cash flow or the realizability of the assets at the values considered in our analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

The valuation analysis and results thereof for recommendation under this Report are governed by concept of materiality.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

It is understood that this analysis does not represent a fairness opinion. This report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair equity share exchange ratio for the Proposed Amalgamation and relevant filings with regulatory authorities in this regard, without our prior written consent.

In addition, this Report does not in any manner address the price at which equity share of PPL and MCFL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our report and opinion / valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

We will owe the responsibility only to the Board of Directors of PPL and MCFL.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

Disclosure of Registered Valuers' Interest or Conflict, if any and other affirmative statements

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report Date. We further state that we are not related to the Company or their promoters or their directors or their relatives. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

SHAREHOLDING PATTERNS

PPL

As of September 30, 2024, the shareholding of PPL comprises 81,47,78,646 equity shares of face value INR 10 each.

Particulars	Number of shares	% Shareholding
Promoter and Group	45,69,42,507	56.08%
Public	35,78,36,139	43.92%
Total	**81,47,78,646**	**100.00%**

Source: BSE Filings

On October 05, 2024, PPL has allotted 4,31,447 equity shares pursuant to exercise of option under PPL – Employee Stock Option Plan 2021. Further, as on the Valuation Date, PPL has Employee Stock Options ('ESOPs') Pool of 28,87,526 stock options. Out of this, 24,22,668 ESOP are outstanding and granted.

MCFL

As of September 30, 2024, the shareholding of MCFL comprises 11,85,15,150 equity shares of face value INR 10 each.

Particulars	Number of shares	% Shareholding
Promoter and Group	7,18,51,686	60.63%
Public	4,66,63,464	39.37%
Total	**11,85,15,150**	**100.00%**

Source: BSE Filings

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO:

The Proposed Amalgamation contemplates the amalgamation of MCFL with PPL. Arriving at the fair equity share exchange ratio for the Proposed Amalgamation would require determining the relative value of equity shares of Transacting Companies. These values are to be determined independently, but on a relative basis for the Valuation Subjects, without considering the effect of the Proposed Amalgamation.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Amalgamation and our reasonable judgment, in an independent and bona fide manner.

The Valuation Approach adopted by SSPA and PSP is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

BASIS FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

Recommendation of equity share exchange ratio for the proposed amalgamation of MCFL with PPL

The basis of the amalgamation of MCFL with PPL would have to be determined after taking into consideration all the factors and methods mentioned hereinafter. Though different values have been arrived at under each of the approaches / methods as mentioned in the Annexures, for the purpose of recommending the fair equity share exchange ratio of equity shares it is necessary to arrive at a final value for each Valuation Subject. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Valuation Subjects, but at their relative values to facilitate the determination of the fair equity share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair equity share exchange ratio has been arrived at on the basis of a relative equity valuation of Valuation Subjects based on the various approaches / methods explained in the Annexures and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Valuation Subjects, having regard to information base, key underlying assumptions and limitations.

While we have provided our recommendation of the fair equity share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair equity share exchange ratio. The final responsibility for the determination of the exchange ratio at which the amalgamation of MCFL with PPL shall take place will be with the Board of Directors of the respective Companies who should consider other factors such as their own assessment of the amalgamation of MCFL with PPL and input of other advisors.

We have independently applied approaches / methods discussed in the Annexures, as considered appropriate, and arrived at the relative value per share of the Companies. To arrive at the consensus on the fair equity share exchange ratio for the Proposed Amalgamation of MCFL with PPL, suitable minor adjustments / rounding off have been done.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Amalgamation of MCFL with PPL per se or accounting, legal or tax matters involved in the Proposed Amalgamation.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions describe in this report and the engagement letter, we recommend the fair equity share exchange ratio as follows:

To the equity shareholders of MCFL

*"**187 (One Hundred and Eighty Seven)** equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued **for every 100 (One Hundred)** equity shares held in MCFL having face value of INR 10 each fully paid-up".*

Respectfully submitted, **For SSPA & Co.,** **Chartered Accountants** ICAI Firm Registration No: 128851W IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126 Parag S. Ved SSPA & CO. ★ REGISTERED VALUER ★ CHARTERED ACCOUNTANTS **Parag Ved, Partner** ICAI Membership No. 102432 Registered Valuer No.: IBBI/RV/06/2018/10092 UDIN: 24102432BKCJCL7239 Place: Mumbai Date: November 25, 2024	Respectfully submitted, Pawan Poddar PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/ 06/2019/12475 Registered Valuer **Pawan Shivkumar Poddar** ICAI Membership No. 113280 Registration Number: IBBI/RV/06/2019/12475 UDIN: 24113280BKFEWK9623 Place: Mumbai Date: November 25, 2024

Annexure IA - Valuation Workings SSPA:

VALUATION APPROACHES

Bases and Premise of Valuation

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Cost Approach – Net Asset Value method
2. Market Approach:
    a) Market Price method
    b) Comparable Companies Multiple method
3. Income Approach – Discounted Cash Flow method

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

1. Cost Approach - Net Asset Value Method ('NAV')

The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

PPL and MCFL

In the present case, the business of PPL and of MCFL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise.

2. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

PPL and MCFL

In the present case, the equity shares of PPL and MCFL are listed on NSE and BSE. Further as mentioned above, pursuant to the Scheme, on February 07, 2024, PPL and MCFL had made public announcement in respect of composite scheme of arrangement between MCFL, PPL and its shareholders and creditors on the same date as per Regulation 30 of SEBI (Listing Obligations and Disclousre Requirements) ('LODR') which got approval from CCI on July 30, 2024. Subsequently, BSE and NSE vide letter dated September 02, 2024 and September 11, 2024 respectively, have provided

SEBI observations. The market price of the Transacting Companies may have been impacted due to the above announcements on and after February 07, 2024 relating to the Scheme. Therefore, we have considered fit to ignore Market Price Method under Market Approach for the present valuation exercise.

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

Under CCM method, the value of equity shares of companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully.

PPL and MCFL

In the present case, PPL and MCFL have been valued based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.

3. Income Approach - Discounted Cash Flows Method ('DCF')

Under the Income Approach, equity shares of PPL and MCFL are valued using DCF Method.

Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to earnings before interest and tax (i) depreciation and amortizations (non-cash charge), and (ii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the respective Companies.

To the value so arrived, appropriate adjustments have been made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to arrive at the equity value.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

Fair equity share exchange ratio:

(INR)

Method of Valuation	PPL		MCFL	
	Value per Share	Weights	Value per Share	Weights
Asset Approach*	NA	NA	NA	NA
Income Approach				
- DCF Method	77.94	50%	146.18	50%
Market Approach				
- MP Method #	NA	NA	NA	NA
- CCM Method	76.82	50%	142.63	50%
Relative value per share	**77.38**		**144.41**	
Fair Equity Share Exchange	**187 : 100**			

NA = Not Applied / Not Applicable

**Since, the business of PPL and MCFL are both intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset (Cost) Approach is not adopted for the present valuation exercise.*

 # In the present case, the equity shares of PPL and MCFL are listed on NSE and BSE. Pursuant to the Scheme, on February 07, 2024, PPL and MCFL had made public announcement in respect of composite scheme of arrangement between MCFL, PPL and its shareholders and creditors on the same date as per Regulation 30 of SEBI (Listing Obligations and Disclousre Requirements) ('LODR') which got approval from CCI on July 30, 2024. Subsequently, BSE and NSE vide letter dated September 02, 2024 and September 11, 2024 respectively, have provided SEBI observations. The market price of the Transacting Companies may have been impacted due to the above announcements on and after February 07, 2024 relating to the Scheme. Therefore, we have considered fit to ignore Market Price Method under Market Approach for the present valuation exercise.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

Annexure IB - Valuation Workings PSP:

VALUATION APPROACHES

Bases and Premise of Valuation

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI VS, considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

"Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

It should be understood that the valuation of any business / company / shares or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to market, industry performance, general business and economic conditions, many of which are beyond the control of the company.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Asset Approach – Net Asset Value method
2. Market Approach:
    a) Market Price method
    b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Transacting Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

1. Asset Approach - Net Asset Value Method ('NAV')

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be used in case where the firm is to be liquidated or in case where the assets base dominates earning capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

PPL and MCFL

In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Further PPL and MCFL have self-generated intangibles in the form of proprietary processes and products which are not currently recorded in the financial statements of both companies, hence the value arrived under the Net Asset Value Method will not represent the intrinsic value of the business. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.

2. Market Approach

a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

PPL and MCFL

In the present case, equity shares of PPL and MCFL are listed on NSE and BSE, they are widely held, regularly and frequently traded with reasonable volumes on both the exchanges. Both PPL and MCFL intimated to NSE and BSE on February 07, 2024, about the approval of the Scheme by their respective Board of Directors. The application along with all Scheme related annexures, were also submitted by the Transacting Companies to the NSE and BSE for their approval; these documents are also accessible to the public on stock exchanges' and Companies' websites. The Scheme also got approval from CCI on July 30, 2024. BSE and NSE in letters dated September 02, 2024 and September 11, 2024, respectively, have provided the observations made by SEBI. Hence, the market price of the Transacting Companies may have been impacted after the announcements as the market participants, shareholders, and other stakeholders were well informed about the merger. Therefore, for the purposes of this valuation exercise, I have decided to disregard the Market Price Method under the Market Approach.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

Under CCM, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are comparable listed companies which operate in a similar line of business having similar financial/ operating metrics as that of PPL and MCFL, we have therefore used CCM Method based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of PPL and MCFL under the Market Approach.

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

PPL and MCFL

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating / financial metrics as that of PPL and MCFL, we have therefore not used CTM method to value the equity shares of these Companies.

3. Income Approach - Discounted Cash Flows Method ('DCF')

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available for distribution to both the owners of and lenders to the business. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows are discounted by the Weighted Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of both debt and equity weighed to their relative funding in the entity. Appropriate adjustments are made for loan funds, contingent liabilities, cash and cash equivalents, value of investments and other assets / liabilities, to determine the equity value of the Companies.

PPL and MCFL are profit making companies and generate surplus cash which is expected to continue going forward, we have therefore used DCF Method to arrive at the equity value of PPL and MCFL.

SSPA & Co. Chartered Accountants REGISTERED VALUER

Pawan Shivkumar Poddar R. No. IBBI/RV/06/2019/12475 Registered Valuer

Fair equity share exchange ratio:

(INR)

Method of Valuation	PPL		MCFL	
	Value per Share	Weights	Value per Share	Weights
Asset Approach*	NA	NA	NA	NA
Income Approach				
- DCF Method	77.60	50%	145.52	50%
Market Approach				
- MP Method #	NA	NA	NA	NA
- CCM Method	76.50	50%	142.32	50%
Relative value per share	**77.05**		**143.92**	
Fair Equity Share Exchange	**187 : 100**			

NA = Not Applied / Not Applicable

**In the present case both PPL and MCFL operate as going concern and there is no intention to dispose of the assets. In such a going concern scenario the relative earning power, as reflected under the income and market approaches is of greater importance for arriving at the value as compared to the value arrived on the Net Asset Value basis considering the realisable value of the assets recorded in the books. Accordingly, we have not adopted Net Asset Value method for valuing equity share of PPL and MCFL respectively.*

 # In the present case, equity shares of PPL and MCFL are listed on NSE and BSE, they are widely held, regularly and frequently traded with reasonable volumes on both the exchanges. Both PPL and MCFL intimated to NSE and BSE on February 07, 2024, about the approval of the Scheme by their respective Board of Directors. The application along with all Scheme related annexures, were also submitted by the Transacting Companies to the NSE and BSE for their approval; these documents are also accessible to the public on stock exchanges' and Companies' websites, The Scheme also got approval from CCI on July 30, 2024. BSE and NSE in letters dated September 02, 2024 and September 11, 2024, respectively, have provided the observations made by SEBI. Hence, the market price of the Transacting Companies may have been impacted after the announcements as the market participants, shareholders, and other stakeholders were well informed about the merger. Therefore, for the purposes of this valuation exercise, I have decided to disregard the Market Price Method under the Market Approach.

SSPA & CO. CHARTERED ACCOUNTANTS REGISTERED VALUER

PAWAN SHIVKUMAR PODDAR R. No. IBBI/RV/06/2019/12475 Registered Valuer

INGA®

STRICTLY PRIVATE AND CONFIDENTIAL

February 07, 2024

To,
The Board of Directors,
Paradeep Phosphates Limited,
5th Floor, Orissa State Handloom Weavers' Co-operative Building,
Pandit J.N. Marg,
Bhubaneshwar, Orissa 751001

Dear Sirs,

Sub: Fairness Opinion on Share Exchange Ratio recommended by the Valuers pursuant to the Proposed Composite Scheme of Arrangement

We refer to the engagement letter dated December 20, 2023 ("Engagement Letter") whereby Paradeep Phosphates Limited ("Transferee Company" or "PPL" or "the Company") has engaged Inga Ventures Private Limited ("Inga"), to provide a fairness opinion to the Board of Directors of PPL on the Share Exchange Ratio recommended by the Valuers, viz. SSPA & Co, Chartered Accountants ("SSPA" or "Valuer 1") and Pawan Shivkumar Poddar ("PSP" or "Valuer 2") under their report jointly issued dated February 07, 2024 ("Share Exchange Ratio Report / Valuation Report") for the proposed amalgamation of Mangalore Chemical Fertilizers Limited ("Transferor Company" or "MCFL") with and into PPL ("Proposed Amalgamation") as a going concern with effect from April 01, 2024 ('Appointed Date 2') vide a Composite Scheme of Arrangement under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("Proposed Scheme").

Valuer 1 and Valuer 2 are hereinafter collectively referred to as the "Valuers".

PPL and MCFL are collectively referred to as the "Companies".

Company Background and Purpose

Paradeep Phosphates Limited is a public company incorporated under the Companies Act, 1956 with corporate identity number L24129OR1981PLC001020, and having its registered office at 5th Floor, Orissa State Handloom Weavers' Co-operative Building, Pandit J.N. Marg, Bhubaneshwar, Orissa 751001. The Transferee Company was incorporated on 24th December, 1981. The Transferee Company is *inter alia* engaged in the business of manufacture and sale of di-ammonium phosphate, complex fertilizers of NPK grades, urea, zypmite (gypsum-based product) and trading of fertilizers, ammonia, phospho-gypsum, and other similar materials ancillary or incidental thereto. The equity shares of the Transferee Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

Mangalore Chemicals Fertilizers Limited is a public company incorporated under the Companies Act, 1956 with corporate identity number L24123KA1966PLC002036, and having its registered office at Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001. The Transferor Company was incorporated on 18th July, 1966. The Transferor Company is *inter alia* engaged in the business of manufacture, purchase, import and sale of fertilizers. The equity shares of the Transferor Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

INGA VENTURES PRIVATE LIMITED MUMBAI ★

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The proposal also envisages, inter alia, amalgamation of MCFL with PPL, whereby equity shares of PPL will be issued to the shareholders of MCFL.

Both the Valuers have arrived at a swap ratio (Share Exchange Ratio) as follows:
187 (One Hundred & Eighty Seven) equity shares of PPL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of MCFL of INR 10/- each fully paid up.

PPL in terms of the Engagement Letter has requested us to issue our independent opinion as to the fairness of the Share Exchange Ratio recommended by the Valuers ("Fairness Opinion").

Source of Information

For arriving at the opinion set forth below, we have received from the Management of PPL ("the Management") and any information available in the public domain:

1. Share Exchange Ratio Report issued by the Valuers;
2. Draft Scheme of Amalgamation
3. Audited financial statements of PPL and MCFL for the financial year ended March 31, 2023
4. Limited reviewed financial statements of PPL and MCFL for the nine months period ended December 31, 2023
5. Financial Projections of PPL and MCFL which represents the management's best estimate of the future financial performance of the Companies.
6. Other relevant information and documents for the purpose of this engagement
7. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern, income- tax position, contingent liabilities, undertakings and other relevant information and data, including information in the public domain
8. Such other information and explanations as required and which have been provided by the Management including Management Representation.
9. Such other Information received during discussion with Valuers

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and its related parties (holding company / subsidiary /associates /joint ventures etc.) and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies and other related entities which forms part of the group.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness

Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and other related entities which forms part of the group.

We understand that the management of Companies, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining any and all necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Scheme. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, other related entities which forms part of the group. or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to the Companies underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the Companies with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of PPL and MCFL will trade following the announcement of the Proposed Amalgamation or as to the financial performance of PPL and MCFL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in PPL or MCFL or any of its related parties.

Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.

Conclusion

Based on our examination of the Share Exchange Ratio/Valuation Report, such other information / undertakings / representations provided to us by the Management and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuers of the Share Exchange Ratio is fair and reasonable.

The fair equity share exchange ratio for the proposed amalgamation of MCFL with PPL is as under:

187 (One Hundred & Eighty Seven) equity shares of PPL of INR 10 each fully paid up for every 100 (One Hundred) equity shares of MCFL of INR 10 each fully paid up

Distribution of the Fairness Opinion

This Fairness Opinion is provided solely for the benefit of the Board of Directors of PPL and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, the Fairness Opinion may be disclosed on the website of PPL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the PPL. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, PPL may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to PPL promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For **Inga Ventures Private Limited**

K R Shah

INGA VENTURES PRIVATE LIMITED * MUMBAI

Kavita Shah

Partner

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SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: November 25 , 2024

The Board of Directors

Mangalore Chemicals & Fertilizers Limited
Level 11, UB Tower,
UB City 24, Vittal Mallya Road,
Bengaluru - 560 001, Karnataka

Dear Members of the Board:

Sub: Fairness opinion towards the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited ("MCFL" or "Transferor Company" or "Company") with Paradeep Phosphates Limited ("PPL" or "Transferee Company") under Sections 230 to 232 and other applicable provisions and rules framed thereunder ("Scheme")

We refer to our letter of engagement (**"LoE"**) and the addendum letter dated November 15, 2024 whereby Fedex Securities Private Limited (**"Fedex"**) is *inter alia* engaged to provide a fairness opinion (*as defined*) on the Equity Share Exchange Ratio (*as defined herein*) recommended by the Registered Valuer (*as defined herein*) for the proposed amalgamation of Mangalore Chemicals & Fertilizers Limited (**"MCFL"** or **"Transferor Company"** or **"Company"**) with Paradeep Phosphates Limited (**"PPL"** or **"Transferee Company"**) (**"Proposed Amalgamation"**) under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder which shall be considered by the Audit Committee and the Board of Directors. The brief background and purpose of the report is provided below:

Brief Background and Purpose

Paradeep Phosphates Limited ('PPL' or 'Transferee Company')

PPL is primarily engaged in the business of manufacturing Urea, Di-Ammonium Phosphate (DAP), Complex Fertilizers of NPK grades and Zypmite (Gypsum based product) having its manufacturing facilities at the port town of Paradeep, District: Jagatsinghpur, Odisha and at Zuari Nagar, Goa. PPL is also involved in trading of fertilizers, ammonia, neutralized phospo gypsum, micronutrient and other materials. PPL caters to the demands of farmers all over the country through its "Navratna" brand of fertilizers. The standalone revenue from operations of the Transferee Company for Six months period ended September 30, 2024 is INR 6,221..27 crores. The equity shares of PPL are listed on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Mangalore Chemicals & Fertilizers Limited ('MCFL' or 'Transferor Company')

MCFL is primarily engaged in the business of manufacturing, purchase and sale of fertilisers. It manufactures both Nitrogenous and Phosphatic fertilizers and is the only manufacturer of fertilizers in the state of Karnataka. MCFL mainly sells in the states of Karnataka, Kerala and in the neighbouring states of Tamil Nadu, Andhra Pradesh, Telangana and Maharashtra. MCFL is a subsidiary of Zuari Agro Chemicals Limited ('ZACL'), an Adventz Group company. The revenue from operations of the Transferor Company for Six months period ended September 30, 2024 is INR 1,590.44 crores. The equity shares of MCFL are listed on both NSE and BSE.

PPL and MCFL are hereinafter together referred to as the "**Transacting Companies**" or "**the Companies"** and individually referred to as "**Company**", as the context may require.

We understand that subsequent to the submission of the composite scheme of arrangement between Mangalore Chemicals & Fertilizers Limited with Paradeep Phosphates Limited, as approved by the Board of Directors on February 07, 2024 **("Original Scheme**"), to the stock exchanges, BSE and NSE vide its letter dated September 02, 2024 and September 11, 2024 respectively, provided the observation made by the Securities and Exchange Board of India ('SEBI'). In Continuation of the Original Scheme, we have been made to understand that the Transferor Company and Transferee Company ('Transacting Companies') is proposing to make limited modification to the Original Scheme ('hereinafter referred to as the "Modified Scheme") in conformity with the observation of SEBI.

Accordingly, the Transacting Companies, for the purpose of the Proposed Amalgamation, have appointed Pawan Shivkumar Poddar, Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126 as Registered Valuers and SSPA & Co., Chartered Accountants

("**SSPA**") as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126 to determine the Equity Share Exchange Ratio (*as defined below*) and has in terms of the LoE and the addendum letter the Board of Directors of the Transferor Company has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Registered Valuers and other related information provided by the Transferor Company and issue our independent opinion as to the fairness of the Equity Share Exchange Ratio ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circulars**"). This Fairness Opinion is being provided solely to the Board of Directors of the Transferor Company and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferee Company or Transferor Company (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Modified Scheme.

This fairness opinion is intended only for the sole use and information of the Board of Directors of the Transferor Company and only in connection with the Proposed Amalgamation. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Proposed Amalgamation or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Proposed Amalgamation as aforesaid can be done only with our prior permission in writing.

As per the Valuation Report dated November 25, 2024, the Registered Valuers have recommended the following equity share exchange ratio for equity shareholders of Mangalore Chemicals & Fertilizers Limited with Paradeep Phosphates Limited ("Equity Share Exchange Ratio") as under:

"187 equity shares of PPL having a face value of INR 10 each fully paid-up shall be issued for every 100 equity shares held in MCFL having face value of INR 10 each fully paid-up"

The Modified Scheme provides, *inter alia*, for:

a) the amalgamation of the Transferor Company with and into the Transferee Company as a going concern, the issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Modified Scheme and in compliance with the Act, the SEBI Scheme Circular, SEBI LODR Regulations and Section 2 (1B) and other relevant provisions of the Income Tax Act;

b) the transfer of the Identified Shares from the Transferor Shareholder to the Transferee Shareholder; and
c) various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the authorized share capital of the Transferee Company.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Modified Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Company and/or the Transferee Company to any person.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Equity shares exchange ratio report dated February 07, 2024 issued by the Registered Valuers ("**Valuation Report**");
2. Draft of the Original Scheme;
3. Draft of the Modified Scheme;
4. Scheme Modification Report;
5. Historical financial information for the year ended March 31, 2024 of the Transferor Company and the Transferee Company;
6. Limited reviewed financial statements of the Transferor Company and the Transferee Company for the Six months period ended September 30, 2024 ('6ME Sep24')
7. Financial Projections of the Transferor Company and the Transferee Company which represents the Management's best estimate of the future financial performance of the Transacting Companies ('Management Projections');
8. Details of Employee Stock Ownership Plan of the Transferee Company as at the Valuation Date;
9. Management Representation Letter;
10. Necessary clarifications, explanations and information (including oral) from the Registered Valuers;
11. Necessary explanations and information from the representatives of the Transferor Company and the Transferee Company; and
12. Other information as available in public domain.

Limitation of Scope and Review

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of the Transferor Company and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.

We have considered financial information in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Modified Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of the Companies post the consummation of the Scheme.

No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also, we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Modified Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Modified Scheme.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, corporate advisory and other financial services to the Transferor Company and its subsidiaries, joint ventures, associates and/or affiliates, as the case may be and have received or in the future may receive compensation for the rendering of these services.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of Companies that may be the subject matter of this Modified Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with the Transferor Company, the Transferor Company and their respective affiliates.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of the Transferor Company that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the financials and forecasts, we have been advised by the Transferor Company, and have assumed, that: (i) they have been reasonably prepared and/or confirmed on bases reflecting the best currently available estimates and good faith judgements of the management of the Transferor Company as to the future financial performance of the Companies or their respective subsidiaries and/or associates, as the case may be and (ii) they are based on the understanding of the management of the Transferor Company of the current business strategy, operations, competition and macro-economic indicators and involves known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by the financials and forecast of the Companies or their respective subsidiaries and/or associates.

Without limiting the generality of the foregoing, we have also assumed, at the direction of the Transferor Company, their associates, as applicable, will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in their financials and forecasts.

We have been informed by the management of the Transferor Company that the financials and forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Companies or their associates, as applicable, and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of the Companies, their associates, as applicable, and/or any other entity, and we do not express any opinion as lo the value of any asset of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of the Companies, their respective subsidiaries and/or associates, as applicable, and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of the Transferor Company, that Proposed Amalgamation will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for Proposed Amalgamation, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Transferor Company, their associates, as applicable, and/or any other entity or the contemplated benefits of Proposed Amalgamation. We also have assumed, at the direction of the Transferor Company, that the final executed Modified Scheme will not differ in any material respect from the Draft Scheme reviewed by us.

We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which the Transferor Company, their associates, as applicable, and/or any other entity, are or may be a party or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

We express no view or opinion as to any terms or other aspects or implications of the Proposed Amalgamation (other than the Equity Share Exchange Ratio to the extent expressly specified herein), including, without limitation, the form or structure of the Proposed Amalgamation, the taxation impact of the Proposed Amalgamation or the Equity Shares issued and allotted under the Proposed Amalgamation or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Proposed Amalgamation or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Proposed Amalgamation. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the Public Shareholders of the Transferor Company of the Equity Share Exchange Ratio provided for in the Modified Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Proposed Amalgamation by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Proposed Amalgamation, or class of such persons, relative to the Equity Share Exchange Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Proposed Amalgamation in comparison to other strategies or transactions that might be available to the Transferor Company or in which the Transferor Company might engage or as to the underlying business decision of the Transferor Company to proceed with or effect the Proposed Amalgamation. Further, the Transferor Company will remain solely responsible for the commercial assumption on which this opinion is based and for its decision to proceed with the Proposed Amalgamation.

Further, our opinion does not take into account any corporate actions of the Transferor Company after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of the Equity Shares actually will be when issued or the prices at which the Equity Shares will trade at any time, including following announcement or consummation of the Proposed Amalgamation. 1n addition, we express no opinion or recommendation as to how any shareholder, creditor or other person should vote or act in connection with the Proposed Amalgamation or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of the Transferor Company, upon the assessments of representatives of the Transferor Company regarding, legal, regulatory, accounting, tax and other matters relating to the Companies, any of their respective subsidiaries and/or associates, as applicable, or any other entity and the Proposed Amalgamation (including the contemplated benefits of the Proposed Amalgamation) as to which we understand that the Transferor Company obtained such advice as it deemed necessary from qualifies professionals.

We have also assumed that all aspects of the Proposed Amalgamation and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance, including without limitation, compliance with the provisions of SEBI Regulations. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Proposed Amalgamation will not trigger obligation to make open offers under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and accordingly, we have not considered the consequences or impact on us, if any such offers are mandated, and we have also assumed that the Proposed Amalgamation will not result in any adverse effect on us or our business, whether under tax or other laws or under the terms of any license or approval.

We have acted as financial advisor to the Board of Directors of the Transferor Company to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, the Transferor Company has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement. For avoidance of any doubts, it is clarified that fees payable to Fedex Securities Private Limited by the Transferor Company and are not in any way contingent upon nature of opinion provided to the Transferor Company.

It is understood that this letter is for the benefit and use of the Board of Directors of the Transferor Company (in its capacity as such) in connection with and for purposes of its evaluation of the Proposed Amalgamation and is not rendered to or for the benefit of, and shat not confer rights or remedies upon, any person other than the Board of Directors of the Transferor Company. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by the Transferor Company to the Stock Exchanges pursuant to applicable laws and may be disclosed on the website of the Transferor Company and the Stock Exchanges to the extent required under applicable laws and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of the Transferor Company; and (ijj) as required to be disclosed to relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

The laws of India govern all matters arising out of or relating to this Fairness Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Fairness Opinion the courts of competent jurisdiction in Mumbai, India shall have exclusive jurisdiction.

Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Transferor Company (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Registered Valuers and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the application/petition for the Modified Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Equity Share Exchange Ratio as recommended by the Valuer, is Fair from a financial point of view to the shareholders of the Transferor Company.

Yours truly,
For, **Fedex Securities Private Limited**

FEDEX SECURITIES PVT. LTD. MUMBAI

Uday Nair
Director
DIN: 03431884

Annexure-10

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF PARADEEP PHOSPHATES LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The following members of the Audit Committee ("**Committee**") of Paradeep Phosphates Limited (the "**Company**") were present at the meeting of the Committee:

1. Mr. Dipankar Chatterji
2. Mr. Satyananda Mishra; and
3. Mr. Karim Lotfi Senhadji.

1. Background

1.1 A meeting of the Committee was held on 7th February, 2024, to consider and recommend the proposed scheme of arrangement which *inter alia* provides for the amalgamation of Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**") with and into the Company pursuant to a composite scheme of arrangement amongst the Company, the Transferor Company and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**").

1.2 The Company is a listed public limited company, whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**").

1.3 The Transferor Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.

1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) ("**SEBI Scheme Circular**"), the Committee is required to provide a report recommending the draft Scheme taking into consideration, *inter alia*, the valuation report. This Report of the Committee is also required to, in terms of the SEBI Scheme Circular, comment on the: (a) need for the merger/amalgamation/arrangement; (b) rationale of the Scheme; (c) synergies of business of the entities involved in the Scheme; (d) impact of the Scheme on the shareholders; and (e) cost benefit analysis of the Scheme.

1.5 The Scheme shall be filed with the relevant jurisdictional National Company Law Tribunals as per Sections 230 to 232 of the Companies Act and has been drawn in compliance with Section 2(1B) and other applicable provisions of the Income Tax Act, 1961 and other applicable laws, including the SEBI Scheme Circular.

Chatterji

1.6 This Report is made in compliance with the SEBI Scheme Circular.

2. Documents perused by the Committee

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

(a) the Scheme;

(b) the valuation report dated February 07,2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board (**"Valuation Report"**);

(c) the fairness opinion dated February 07,2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report (**"Fairness Opinion"**); and

(d) the certificate dated February 07,2024 issued by B S R & Co. LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

3. Salient features of the Scheme

3.1 The Scheme, amongst others, contemplates the following:

(a) the amalgamation by way of merger of the Transferor Company with and into the Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(c) issuance and allotment of equity shares of the Company (*as defined in the Scheme*) by the Company (*as defined in the Scheme*) to the equity shareholders of the Transferor Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(d) transfer of the authorized share capital of the Transferor Company to the Company and the consequential increase in the authorized share capital of the Company as provided in the Scheme; and

(e) dissolution without winding up of the Transferor Company.

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

4. Need for the Scheme; Rationale of the Scheme; and Synergies of business of the entities involved in the Scheme

4.1 The proposed amalgamation will enable the Transferor Company and the Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Transferor Company and the Company are engaged in similar and/or complementary businesses and the proposed amalgamation will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Transferor Company and the Company.

5. Impact of the Scheme on the shareholders

5.1 The Audit Committee reviewed the Valuation Report and noted the valuation and the share exchange ratio for the proposed amalgamation as recommended by the valuers. No special valuation difficulties were reported by the valuers in their respective Valuation Report.

5.2 As per the Scheme, the Company is required to issue and allot fully paid equity shares of the Company to the shareholders of the Transferor Company, in consideration for the proposed amalgamation, in the following ratio:

> *For every 100 fully paid up equity shares of face value of INR 10 each held in the Transferor Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Transferor Company shall be issued 187 equity shares of face value of INR 10 each credited as fully paid up in the Company.*

5.3 The equity shares of the Company to be issued and allotted to the shareholders of the Transferor Company as per the aforementioned share exchange ratio (which is in terms of the Valuation Report) are to rank *pari passu* in all respects with the existing equity shares of the Company.

6. Cost benefit analysis of the Scheme

The Committee noted that the Scheme will provide an opportunity to improve the economic value for the shareholders of the Company and the Transferor Company. This is reflected by the proposed improved synergies that will arise pursuant to the Scheme.

Although the Scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc., however, the benefits of the proposed amalgamation as specified in paragraph 4 above over a long period would far outweigh such costs.

7. Recommendations of the Committee and Conclusion

Having considered the Scheme and its rationale and benefits, the Valuation Reports, the Fairness Opinion, impact of the Scheme on its shareholders, cost benefit analysis of the Scheme, synergies of business and other documents as placed before the Committee, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Audit Committee of Paradeep Phosphates Limited**

Dipankar Chatterji
Chairperson, Audit Committee
DIN: 00031256
Date: 07th February,2024
Place: Bengaluru

PARADEEP PHOSPHATES LIMITED
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MCF
Mangalore Chemicals
& Fertilizers Limited

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The following members of the Audit Committee ("**Committee**") of Mangalore Chemicals & Fertilizers Limited (the "**Company**") were present at the meeting of the Committee:

1. Mr. Marco Wadia - Independent Director and Chairman of the Audit Committee
2. Mr. D A Prasanna - Independent Director and Member of the Audit Committee
3. Mrs. Kiran Dhingra - Independent Director and Member of the Audit Committee

1. Background

1.1 A meeting of the Committee was held on February 7, 2024, to consider and recommend the proposed scheme of arrangement which *inter alia* provides for the amalgamation of the Company with and into Paradeep Phosphates Limited ("**Transferee Company**") pursuant to a composite scheme of arrangement amongst the Company, the Transferee Company and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**").

1.2 The Company is a listed public limited company, whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**").

1.3 The Transferee Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.

1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) ("**SEBI Scheme Circular**"), the Committee is required to provide a report recommending the draft Scheme taking into consideration, *inter alia*, the valuation report. This Report of the Committee is also required to, in terms of the SEBI Scheme Circular, comment on the: (a) need for the merger/amalgamation/arrangement; (b) rationale of the Scheme; (c) synergies of business of the entities involved in the Scheme; (d) impact of the Scheme on the shareholders; and (e) cost benefit analysis of the Scheme.

1.5 The Scheme shall be filed with the relevant jurisdictional National Company Law Tribunals as per Sections 230 to 232 of the Companies Act and has been drawn in compliance with Section 2(1B) and other applicable provisions of the Income Tax Act, 1961 and other applicable laws, including the SEBI Scheme Circular.

1.6 This Report is made in compliance with the SEBI Scheme Circular.

2. **Documents perused by the Committee**

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

(a) the Scheme;

(b) the valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively the "**Valuation Report**");

(c) the fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**"); and

(d) the certificate dated February 7, 2024 issued by M/s. PKF Sridhar & Santhanam LLP, the statutory auditors, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

3. **Salient features of the Scheme**

3.1 The Scheme, amongst others, contemplates the following:

(a) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(c) issuance and allotment of equity shares of the Transferee Company (*as defined in the Scheme*) by the Transferee Company (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(d) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme; and

(e) dissolution without winding up of the Company.

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

4. Need for the Scheme; Rationale of the Scheme; and Synergies of business of the entities involved in the Scheme

4.1 The proposed amalgamation will enable the Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Company and the Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to *inter alia* result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Company and the Transferee Company.

5. Impact of the Scheme on the shareholders

5.1 The Audit Committee reviewed the Valuation Report and noted the valuation and the share exchange ratio for the proposed amalgamation as recommended by the valuers. No special valuation difficulties were reported by the valuers in their respective Valuation Report.

5.2 As per the Scheme, the Transferee Company is required to issue and allot fully paid equity shares of the Transferee Company to the shareholders of the Company, in consideration for the proposed amalgamation, in the following ratio:

> *For every 100 fully paid up equity shares of face value of INR 10 each held in the Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Company shall be issued 187 equity shares of face value of INR 10 each credited as fully paid up in the Transferee Company.*

5.3 The equity shares of the Transferee Company to be issued and allotted to the shareholders of the Company as per the aforementioned share exchange ratio (which is in terms of the Valuation Report) are to rank *pari passu* in all respects with the existing equity shares of the Transferee Company.

Mangalore Chemicals
& Fertilizers Limited

6. **Cost benefit analysis of the Scheme**

The Committee noted that the Scheme will provide an opportunity to improve the economic value for the shareholders of the Company and the Transferee Company. This is reflected by the proposed improved synergies that will arise pursuant to the Scheme. Although the Scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc., however, the benefits of the proposed amalgamation as specified in paragraph 4 above over a long period would far outweigh such costs.

7. **Recommendations of the Committee and Conclusion**

Having considered the Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, impact of the Scheme on its shareholders, cost benefit analysis of the Scheme, synergies of business and other documents as placed before the Committee, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Audit Committee of Mangalore Chemicals & Fertilizers Limited**

Marco Wadia
Chairperson, Audit Committee

DIN: 00244357
Date: February 07, 2024
Place: Mumbai

Registered Office: UB Tower, Level 11, UB City, 24, Vittal Mallya Road, Bengaluru - 560 001, India.
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Website: www.mangalorechemicals.com
Corporate Identity Number: L24123KA1966PLC002036

PPL

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF PARADEEP PHOSPHATES LIMITED RECOMMENDING THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The following members of the Audit Committee ("**Committee**") of Paradeep Phosphates Limited (the "**Company**") were present at the meeting of the Committee:

1. Mr. Dipankar Chatterji
2. Mr. Satyananda Mishra
3. Mr. Karim Lotfi Senhadji

1. Background

1.1. The board of directors of the Company ("**Board**") in its meeting held on 07th February 2024 approved the draft composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**"), the Company and their respective shareholders and creditors ("**Original Scheme**"), *inter alia* based on the recommendation of this Committee, subject to receiving the approvals from the relevant regulatory and statutory authority(ies).

1.2. Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3. The BSE Limited and the National Stock Exchange of India Limited vide their letters dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have shared the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4. In continuation of the meeting of this Committee held on 07th February 2024, modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and the latest valuation report dated November 25, 2024 ("**Valuation Report**"), jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**"), the Committee is required to provide a report recommending the Modified Scheme along with the relevant documents thereto.. Upon perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Committee notes that there is no change in the brief background of the Transferor Company and the Company, salient features of the Modified Scheme, synergies of business of the entities involved in the Modified Scheme, cost benefit analysis of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5. Therefore, a meeting of the Committee was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme.

1.6. This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Committee made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Committee

While deliberating on the Modified Scheme, the Committee, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and the following documents:

(a) draft of the Modified Scheme;

(b) the Valuation Report dated November 25, 2024; and

(c) the Fairness Opinion dated November 25, 2024.

3. Proposed modifications to the Original Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Transferor Company), and consequently, the aggregate cash consideration to be paid by the Transferee Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Transferor Company and the Company require the existing promoter of the Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Company even after the Modified Scheme becomes effective.

4. Impact of the Modified Scheme on the shareholders

4.1. The Committee reviewed the modifications proposed to be in the Modified Scheme and noted that there is no adverse impact on the shareholders of the Company on account of such modifications.

4.2. The Committee noted that the share exchange ratio suggested in the Valuation Report is the same as the share exchange ratio as provided under the previous valuation report dated 07th February 2024 jointly issued by the Joint Valuers, as approved by the Committee by way of its report dated 07th February 2024. Therefore, this Committee is of the opinion that the Modified Scheme does not have any impact on the valuation of the Transferor Company and the Company.

5. Recommendations of the Committee and Conclusion

In continuation of the report of the Committee dated 07th February 2024 and having considered the draft of the Modified Scheme, the Valuation Report and Fairness Opinion, and other documents placed before the Committee, the Committee is of the informed opinion that the Modified Scheme with the share exchange ratio as suggested in the Valuation Report is in the best interests of and not detrimental to the interest of the shareholders of the Company. Therefore, the Committee unanimously recommends the Modified Scheme for approval.

For and on behalf of the Audit Committee of Paradeep Phosphates Limited

Mr. Dipankar Chatterji
Chairperson, Audit Committee
DIN: 00031256
Date: November 25, 2024
Place: Bangalore Kolkata

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CIN No.: L24129OR1981PLC001020
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Mangalore Chemicals
& Fertilizers Limited

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST MANGALORE CHEMICALS & FERTILIZERS LIMITED, PARADEEP PHOSPHATES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The following members of the Audit Committee (**"Committee"**) of Mangalore Chemicals & Fertilizers Limited (the **"Company"**) were present at the meeting of the Committee:

1. Mr. Marco Wadia
2. Mr. D A Prasanna
3. Mrs. Kiran Dhingra

1. Background

1.1. The board of directors of the Company ("**Board**") in its meeting held on 07th February 2024 approved the draft composite scheme of arrangement by and amongst Paradeep Phosphates Limited ("**Transferee Company**"), the Company and their respective shareholders and creditors ("**Original Scheme**"), *inter alia* based on the recommendation of this Committee, subject to receiving the approvals from the relevant regulatory and statutory authority(ies).

1.2. Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3. The BSE Limited and the National Stock Exchange of India Limited vide their letters dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have shared the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4. In continuation of the meeting of this Committee held on 07th February 2024, modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and the latest valuation report dated November 25, 2024 ("**Valuation Report**"), jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker with registration number INM000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report **("Fairness Opinion")**, the Committee is required to provide a report recommending the Modified Scheme along with the relevant documents thereto. Upon perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Committee notes that there is no change in the brief background of the Transferee Company and the Company, salient features of the Modified Scheme, synergies of business of the entities involved in the

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Corporate Identity Number: L24123KA1966PLC002036

Modified Scheme, cost benefit analysis of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5. Therefore, a meeting of the Committee was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme.

1.6. This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Committee made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Committee

While deliberating on the Modified Scheme, the Committee, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and the following documents:

(a) draft of the Modified Scheme;

(b) the Valuation Report dated November 25, 2024; and

(c) the Fairness Opinion dated November 25, 2024.

3. Proposed modifications to the Original Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Company), and consequently, the aggregate cash consideration to be paid by the Transferee Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Modified Scheme becomes effective.

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

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Tel: +91 80 4585 5575/68 Fax: +91 80 4585 5588 E-mail: shares.mcfl@adventz.com
Website: www.mangalorechemicals.com
Corporate Identity Number: L24123KA1966PLC002036

4. Impact of the Modified Scheme on the shareholders

4.1. The Committee reviewed the modifications proposed to be in the Modified Scheme and noted that there is no adverse impact on the shareholders of the Company on account of such modifications.

4.2. The Committee noted that the share exchange ratio suggested in the Valuation Report is the same as the share exchange ratio as provided under the previous valuation report dated 07th February 2024 jointly issued by the Joint Valuers, as approved by the Committee by way of its report dated 07th February 2024. Therefore, this Committee is of the opinion that the Modified Scheme does not have any impact on the valuation of the Company and the Transferee Company.

5. Recommendations of the Committee and Conclusion

In continuation of the report of the Committee dated 07th February 2024 and having considered the draft of the Modified Scheme, the Valuation Report and Fairness Opinion, and other documents placed before the Committee, the Committee is of the informed opinion that the Modified Scheme with the share exchange ratio as suggested in the Valuation Report is in the best interests of and not detrimental to the interest of the shareholders of the Company. Therefore, the Committee unanimously recommends the Modified Scheme for approval.

For and on behalf of the **Audit Committee of Mangalore Chemicals & Fertilizers Limited**

D A Prasanna
DIN: 00253371
Date: 25th November, 2024
Place: Bangalore

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BANGALORE

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF PARADEEP PHOSPHATES LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Report is prepared, considered and approved by the Committee of Independent Directors ("**Committee**") of Paradeep Phosphates Limited (the "**Company**") pursuant to its meeting held on 7th February, 2024 at 5:00 PM, where the following independent directors were present:

Present:

1. Mr. Satyananda Mishra
2. Mr. Dipankar Chatterji
3. Mr. Subhrakant Panda
4. Mrs. Rita Menon

Chairman: The Committee unanimously elected Mr. Satyananda Mishra, as the chairman of this meeting.

1. Background

1.1 This meeting of the Committee was held on 7th February, 2024 to consider the proposed scheme of arrangement which *inter alia* provides for the amalgamation of Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**") with and into the Company pursuant to a composite scheme of arrangement amongst the Company, the Transferor Company and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other application provisions of the Companies Act, 2013 ("**Companies Act**").

1.2 The Company is a listed public limited company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**").

1.3 The Transferor Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.

1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) ("**SEBI Scheme Circular**"), a report from the Committee recommending the draft Scheme is required to be provided, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company. This Report of the Committee has been made in compliance with the requirements of the SEBI Scheme Circular.

PARADEEP PHOSPHATES LIMITED
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Registered office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751001
Tel: +0674 666 6100 Fax: +0674 2392631
www.paradeepphosphates.com

2. Documents perused by the Committee

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

(a) the Scheme;

(b) the valuation report dated February 07,2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board (collectively the "Valuation Report");

(c) the fairness opinion dated February 07,2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**"); and

(d) the certificate dated February 07,2024 issued by B S R & Co. LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

3. Salient features of the Scheme

3.1 The Scheme, amongst others, contemplates the following:

(a) the amalgamation by way of merger of the Transferor Company with and into the Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(c) issuance and allotment of equity shares of the Company (*as defined in the Scheme*) by the Company (*as defined in the Scheme*) to the equity shareholders of the Transferor Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(d) transfer of the authorized share capital of the Transferor Company to the Company and the consequential increase in the authorized share capital of the Company as provided in the Scheme; and

(e) dissolution without winding up of the Transferor Company.

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

4. Rationale of the Scheme

The Company and the Transferor Company are of the view that (a) the proposed amalgamation of the Transferor Company with and into the Company; and (b) the other arrangements contemplated in the Scheme, would be to the benefit of the shareholders and creditors of the Transferor Company and the Company and would *inter alia* have the following benefits:

4.1 The proposed amalgamation will enable the Transferor Company and the Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

4.2 The Transferor Company and the Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to inter alia result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Transferor Company and the Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Transferor Company and the Company.

5. Scheme is not detrimental to the shareholders of the Company

5.1 The Committee discussed the background, salient features and rationale of the Scheme. In view of the various documents presented to the Committee, including the Valuations Reports and the Fairness Opinion, it is observed that the Scheme will result in synergies between the businesses of the Company and the Transferor Company, including revenue synergies through sharing of consumer understanding and market insights and channel models to ensure faster reach to the market and to achieve faster growth.

5.2 The Committee discussed and formed the view that there will be strong synergies in the proposed amalgamation contemplated in the Scheme, the employees in general will be benefited and the merged company will be better positioned to carry on the combined businesses of the Transferor Company and the Company, financially and otherwise.

5.3 Therefore, considering the above and other documents presented to the Committee, the Committee is of the view that the Scheme is not detrimental to the shareholders of the Company.

6. Recommendations of the Committee

In view of the above, and taking into considerations the documents presented to the Committee, after due deliberations and due consideration of all the terms of the Scheme, in particular fact that the Scheme is not detrimental to the shareholders of the Company, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Committee of Independent Directors of Paradeep Phosphates Limited**

Satyananda Mishra
Independent Director
DIN: 01807198
Date: 07th February ,2024
Place: Bengaluru

PARADEEP PHOSPHATES LIMITED
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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMTIED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Report is prepared, considered and approved by the Committee of Independent Directors ("**Committee**") of Mangalore Chemicals & Fertilizers Limited (the "**Company**") pursuant to its meeting held on February 7, 2024 at 5:15 PM, where the following independent directors were present:

Present:

1. Mr. Marco Wadia
2. Mr. D A Prasanna
3. Mrs. Kiran Dhingra

Chairman: The Committee unanimously elected Mr. Marco Wadia, as the chairman of this meeting.

1. Background

1.1 This meeting of the Committee was held on February 7, 2024 to consider the proposed scheme of arrangement which *inter alia* provides for the amalgamation of the Company with and into Paradeep Phosphates Limited ("**Transferee Company**") pursuant to a composite scheme of arrangement amongst the Company, the Transferee Company and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**").

1.2 The Company is a listed public limited company whose equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**").

1.3 The Transferee Company is a listed public limited company, whose equity shares are listed on the Stock Exchanges.

1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India ("**SEBI**") on June 20, 2023 (as amended from time to time) ("**SEBI Scheme Circular**"), a report from the Committee recommending the draft Scheme is required to be provided, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the Company. This Report of the Committee has been made in compliance with the requirements of the SEBI Scheme Circular.

2. Documents perused by the Committee

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

(a) the Scheme;

(b) the valuation report dated February 7, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/R V-E/06/2020/126) and Pawan Shivkumar

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Website: www.mangalorechemicals.com
Corporate Identity Number: L24123KA1966PLC002036

Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board (collectively, the "Valuation Report");

(c) the fairness opinion dated February 7, 2024 issued by Fedex Securities Private Limited, the SEBI registered merchant banker with registration number INM 000010163, providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("Fairness Opinion"); and

(d) the certificate dated February 7, 2024 issued by M/s. PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

3. Salient features of the Scheme

3.1 The Scheme, amongst others, contemplates the following:

(a) the amalgamation by way of merger of the Company with and into the Transferee Company in accordance with Sections 230 to 232 of the Companies Act and other applicable laws;

(b) the transfer of the Identified Shares (*as defined in the Scheme*) from the Transferor Shareholder (*as defined in the Scheme*) to the Transferee Shareholder (*as defined in the Scheme*);

(c) issuance and allotment of equity shares of the Transferee Company (*as defined in the Scheme*) by the Transferee Company (*as defined in the Scheme*) to the equity shareholders of the Company, as on the Record Date (*as defined in the Scheme*), based on the share exchange ratio as provided for in the Valuation Report;

(d) transfer of the authorized share capital of the Company to the Transferee Company and the consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme; and

(e) dissolution without winding up of the Company.

3.2 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 45 of the Scheme.

4. Rationale of the Scheme

The Company and the Transferee Company are of the view that (a) the proposed amalgamation of the Company with and into the Transferee Company; and (b) the other arrangements contemplated in the Scheme, would be to the benefit of the shareholders and creditors of the Company and the Transferee Company and would *inter alia* have the following benefits:

4.1 The proposed amalgamation will enable the Company and the Transferee Company to combine their businesses and create a strong amalgamated company, and to become one of the leading private-sector fertiliser companies in India.

Mangalore Chemicals
& Fertilizers Limited

4.2 The Company and the Transferee Company are engaged in similar and/or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth.

4.3 The proposed amalgamation is expected to inter alia result in reduction of costs, better alignment, coordination and streamlining the day-to-day operation of all the units of the Company and the Transferee Company, strengthening of organizational capabilities around financial areas, driving scale benefits through pooling of resources, simplification of the corporate structure and elimination of administrative duplications by streamlining the legal, compliance and other statutory functions to allow a more coordinated approach towards governance of the businesses of the Transferee Company.

4.4 The proposed amalgamation is expected to create enhanced value for the stakeholders of both the Company and the Transferee Company.

5. Scheme is not detrimental to the shareholders of the Company

5.1 The Committee discussed the background, salient features and rationale of the Scheme. In view of the various documents presented to the Committee, including the Valuation Report and the Fairness Opinion, it is observed that the Scheme will result in synergies between the businesses of the Company and the Transferee Company, including revenue synergies through sharing of consumer understanding and market insights and channel models to ensure faster reach to the market and to achieve faster growth.

5.2 The Committee discussed and formed the view that there will be strong synergies in the proposed amalgamation contemplated in the Scheme, the employees in general will be benefited and the merged company will be better positioned to carry on the combined businesses of the Company and the Transferee Company, financially and otherwise.

5.3 Therefore, considering the above and other documents presented to the Committee, the Committee is of the view that the Scheme is not detrimental to the shareholders of the Company.

6. Recommendations of the Committee

In view of the above, and taking into considerations the documents presented to the Committee, after due deliberations and due consideration of all the terms of the Scheme, in particular fact that the Scheme is not detrimental to the shareholders of the Company, the Committee unanimously recommends the Scheme for approval.

For and on behalf of the **Committee of Independent Directors of Mangalore Chemicals & Fertilizers Limited**

Marco Wadia
Independent Director
DIN: 00244357
Date: February 07, 2024
Place: Mumbai

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF PARADEEP PHOSPHATES LIMITED RECOMMENDING THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Report is prepared, considered and approved by the Committee of Independent Directors ("**Committee**") of Paradeep Phosphates Limited (the "**Company**") pursuant to its meeting held on November 25, 2024, where the following independent directors were present:

Present:

1. Mr. Dipankar Chatterji
2. Mr. Satyananda Mishra
3. Mr. Subhrakant Panda
4. Mrs. Rita Menon

Chairman: The Committee unanimously elected Mr. Dipankar Chatterji, as the chairman of this meeting.

1. Background

1.1. The board of directors of the Company ("**Board**") in its meeting held on 07th February 2024 approved the draft composite scheme of arrangement by and amongst Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**"), the Company and their respective shareholders and creditors ("**Original Scheme**"), *inter alia* based on the recommendation of this Committee, subject to receiving the approvals from the relevant regulatory and statutory authority(ies).

1.2. Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3. The BSE Limited and the National Stock Exchange of India Limited vide its letter dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have shared the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4. In continuation of the meeting of this Committee held on 07th February 2024, the modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and the latest valuation report dated November 25, 2024 ("**Valuation Report**"), both such documents being jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan

Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report (**"Fairness Opinion"**), the Committee is required to provide a report recommending the Modified Scheme. Upon a perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Committee notes that there is no change in the brief background of the Transferor Company and the Company, salient features of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5. Therefore, a meeting of the Committee was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme.

1.6. This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Committee made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Committee

While deliberating on the Modified Scheme, the Committee, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and the draft of the Modified Scheme and the following documents:

(a) draft of the Modified Scheme;

(b) the Valuation Report dated November 25, 2024; and

(c) the Fairness Opinion dated November 25, 2024.

3. Proposed modifications to the Original Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Transferor Company), and consequently, the aggregate cash consideration to be paid by the Transferee Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share

Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Transferor Company and the Company require the existing promoter of the Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Company even after the Modified Scheme becomes effective.

4. Modified Scheme is not detrimental to the shareholders of the Company

4.1. The Committee reviewed the modifications proposed to be made in the Modified Scheme and is of the view that such modifications are not detrimental to the shareholders of the Company.

4.2. The Committee noted that the share exchange ratio suggested in the Valuation Report is the same as the share exchange ratio as provided under the previous valuation report dated 07th February 2024 issued by the Joint Valuers, as approved by the Committee by way of its report dated 07th February 2024. Therefore, this Committee is of the opinion that the Modified Scheme does not have any impact on the valuation of the Transferor Company and the Company.

5. Recommendations of the Committee

In continuation of the report of the Committee dated 07th February 2024 and having considered the draft of Modified Scheme, the Valuation Report and the Fairness Opinion, and other documents placed before the Committee, this Committee is of the opinion that the Modified Scheme is not detrimental to the shareholders of the Company, the Committee unanimously recommends the Modified Scheme for approval.

For and on behalf of the Committee of Independent Directors of Paradeep Phosphates Limited

Mr. Dipankar Chatterji
Independent Director
DIN: 00031256
Date: November 25, 2024
Place: Kolkata

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& Fertilizers Limited

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED RECOMMENDING THE DRAFT MODIFIED COMPOSITE SCHEME OF ARRANGEMENT AMONGST PARADEEP PHOSPHATES LIMITED, MANGALORE CHEMICALS & FERTILIZERS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Report is prepared, considered and approved by the Committee of Independent Directors (**"Committee"**) of Mangalore Chemicals & Fertilizers Limited (the **"Company"**) pursuant to its meeting held on November 25, 2024, where the following independent directors were present:

Present:

1. Mr. D A Prasanna
2. Mr. Marco Wadia
3. Mrs. Kiran Dhingra

Chairman: The Committee unanimously elected Mr. Marco Wadia, as the chairman of this meeting.

1. Background

1.1. The board of directors of the Company ("**Board**") in its meeting held on 07th February 2024 approved the draft composite scheme of arrangement by and amongst Paradeep Phosphates Limited ("**Transferee Company**"), the Company and their respective shareholders and creditors ("**Original Scheme**"), *inter alia* based on the recommendation of this Committee, subject to receiving the approvals from the relevant regulatory and statutory authority(ies).

1.2. Further, the Competition Commission of India vide its letter dated 30th July 2024 has approved the transactions contemplated under the Original Scheme.

1.3. The BSE Limited and the National Stock Exchange of India Limited vide its letter dated 02nd September 2024 and 11th September 2024 respectively ("**Stock Exchanges Letters**"), have returned the Original Scheme based on the observations made by the Securities and Exchange Board of India ("**SEBI**"). In view of such observations made by SEBI, the Original Scheme is required to be modified.

1.4. In continuation of the meeting of this Committee held on 07th February 2024, the modifications to be made to the Original Scheme based on the observations made by SEBI (such limited modification in continuation of the Original Scheme is hereinafter referred to as the "**Modified Scheme**") and the latest valuation report dated November 25, 2024 ("**Valuation Report**"), both such documents being jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the Committee (collectively, the "**Joint Valuers**") and the fairness opinion dated November 25, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker with registration number INM000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report **("Fairness Opinion")**, the Committee is required to provide a report recommending the Modified Scheme.

D A Prasanna

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Upon perusal of the modifications made to the Original Scheme as set out in the Modified Scheme, the Committee notes that there is no change in the brief background of the Transferee Company and the Company, salient features of the Modified Scheme and impact of the Modified Scheme on the shareholders of the Company.

1.5. Therefore, a meeting of the Committee was held on November 25, 2024 to consider the latest Valuation Report and analyse its impact on the Modified Scheme.

1.6. This report is made in compliance with the observations made by SEBI to the extent necessary in connection with the modifications to be made to the Original Scheme, and the remaining observations and recommendations of the Committee made in its report dated 07th February 2024 remain unchanged.

2. Documents perused by the Committee

While deliberating on the Modified Scheme, the Committee, *inter alia*, considered and took on record the observations made by SEBI as communicated to the Company by way of the Stock Exchanges Letters, and the draft of the Modified Scheme and the following documents:

(a) draft of the Modified Scheme;

(b) the Valuation Report dated November 25, 2024; and

(c) the Fairness Opinion dated November 25, 2024.

3. Proposed modifications to the Original Scheme

The key modifications proposed to be made to the Original Scheme are as follows:

(a) the number of 'Identified Shares' to be transferred by the Transferor Shareholder (*as defined in the Modified Scheme*) to the Transferee Shareholder (*as defined in the Modified Scheme*) to be modified from 3,92,06,000 (Three Crores Ninety-Two Lakhs and Six Thousand) Equity Shares to 2,90,37,000 (Two Crores Ninety Lakhs Thirty-Seven Thousand) Equity Shares (representing 24.50% of the share capital of the Company), and consequently, the aggregate cash consideration to be paid by the Transferee Shareholder (*as defined in the Modified Scheme*) to the Transferor Shareholder (*as defined in the Modified Scheme*) for the Share Transfer (*as defined in the Modified Scheme*) is reduced to INR 418.14 crores (Indian Rupees Four Hundred and Eighteen Crores and Fourteen Lakhs approximately); and

(b) the rationale for the Modified Scheme is to clarify that the lenders of the Transferee Company and the Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% (fifty percent) of the share capital of the Transferee Company even after the Modified Scheme becomes effective.

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4. Modified Scheme is not detrimental to the shareholders of the Company

4.1. The Committee reviewed the modifications proposed to be made in the Modified Scheme and is of the view that such modifications are not detrimental to the shareholders of the Company.

4.2. The Committee noted that the share exchange ratio suggested in the Valuation Report is the same as the share exchange ratio as provided under the previous valuation report dated 07th February 2024 issued by the Joint Valuers, as approved by the Committee by way of its report dated 07th February 2024. Therefore, this Committee is of the opinion that the Modified Scheme does not have any impact on the valuation of the Transferee Company and the Company.

5. Recommendations of the Committee

In continuation of the report of the Committee dated 07th February 2024 and having considered the draft of Modified Scheme, the Valuation Report and the Fairness Opinion, and other documents placed before the Committee, this Committee is of the opinion that the Modified Scheme is not detrimental to the shareholders of the Company, the Committee unanimously recommends the Modified Scheme for approval.

For and on behalf of the **Committee of Independent Directors of Mangalore Chemicals & Fertilizers Limited**

D A Prasanna
Independent Director
DIN: 00253371
Date: 25th November, 2024
Place: Bangalore

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Corporate Identity Number: L24123KA1966PLC002036

B S R & Co. LLP

Chartered Accountants

B S R & Co. LLP
Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: +91 33 4035 4200
Fax: +91 33 4035 4295

Private and confidential

The Board of Directors
Paradeep Phosphates Limited
Bayan Bhawan
Pandit Jawaharlal Nehru Marg
Bhubaneswar – 751001
Odisha, India

Independent Auditor's Certificate on the proposed accounting treatment contained in the Draft Scheme of Amalgamation of Paradeep Phosphates Limited and Mangalore Chemicals and Fertilizers Limited and their respective shareholders

1. This Certificate is issued in accordance with the terms of our engagement letter dated 2 November 2022 and addendum to the engagement letter dated 5 February 2024.

2. We, B S R & Co. LLP, Chartered Accountants (Firm Registration Number - 101248W/W- 100022), the statutory auditors of Paradeep Phosphates Limited ("the Company" or "the Transferee Company"), have been requested by the Board of Directors of the Company to issue a certificate in relation to the proposed Scheme of Arrangement between the Company and of Mangalore Chemicals and Fertilizers Limited ("the Transferor Company" or "MCFL") and their respective shareholders and creditors with the Company ("Proposed Scheme"), and extract of which is reproduced under Annexure 1 to this certificate, in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act") and rules made thereunder, with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder ("SEBI regulations") and applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act and other generally accepted accounting principles in India.

3. The Proposed Scheme is approved by the Board of Directors of the Company and Transferor Company on 7 February 2024 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of this Proposed Scheme is 01 April 2024.

Management's Responsibility

4. The preparation of the Proposed Scheme and its compliance with the relevant provision of the Act, SEBI regulations, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the Board of Directors of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

6. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Act and SEBI regulations, and providing all relevant information with respect to the Proposed Scheme to the NCLT.

Auditors' Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act and SEBI regulations, our responsibility is only to provide a reasonable assurance on whether the proposed accounting treatment as specified in Clause 36 of Section D of Part II of the Proposed Scheme, the extract of which reproduced as Annexure I to this Certificate, is in conformity with SEBI regulations and Ind AS specified under section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India.

8. We conducted our examination of the proposed accounting treatment referred to Clause 36 of Section D of Part II of the Proposed Scheme and the extract of which is reproduced under Annexure I to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have performed the following procedures:

   - Review of the proposed accounting treatment as contained in the Annexure 1 to this certificate to ensure it is in accordance with applicable Ind AS specified under section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India as required as per the proviso to Section 230(7) and Section 232(3) of the Act; and

   - Making suitable inquires and obtained relevant representations from the management of the Company.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

11. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 01 April 2024. The appointed date may be different from the acquisition date as per Ind AS 103. If approved by the NCLT, the appointed date shall be deemed to be the 'acquisition date' for the purpose of accounting for the amalgamation of MCFL by the Company.

12. Based on our examination and according to the information and explanations provided to us and appropriate representations given to us, the proposed accounting treatment specified in Clause 36 of Section D of Part II of the Proposed Scheme and the extract of which is reproduced in Annexure I to this Certificate, initialled and stamped by us for the purpose of identification only, is in conformity with SEBI regulations and applicable Ind AS prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

B S R & Co. LLP Kolkata Chartered Accountants

Restriction on use

13. This certificate is issued at the request of the Board of Directors of the Company solely for the purpose of onward submission to the NCLT, BSE Limited and National Stock Exchange of India Limited and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of SEBI regulations and sections 230 to 232 of the Act read with relevant rules issued thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B S R & Co. LLP Kolkata Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No: 055757
UDIN: 24055757BKEYJL2777

Place: Kolkata
Date: 7 February 2024

PPL

Annexure 1

Relevant extract on Accounting Treatment as per Clause 36 of Section D of Part II of the Draft Scheme of Amalgamation between Paradeep Phosphates Limited ("Transferee Company") and Mangalore Chemicals and Fertilizers Limited ("Transferor Company") and their respective shareholders

SECTION D: ACCOUNTING TREATMENT

36. Notwithstanding anything to the contrary contained in the Scheme, pursuant to Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of account as per the acquisition method in accordance with accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant clarifications issued by the Institute of Chartered Accountants of India.

For Paradeep Phosphates Limited

Chief Financial Officer
Place: Bengaluru
7 February 2024

PARADEEP PHOSPHATES LTD.

SIGNED FOR IDENTIFICATION
BY
For B S R & Co. LLP
CHARTERED ACCOUNTANTS

Certified True Copy

For Paradeep Phosphates Limited
Sachin Patil
Company Secretary

PARADEEP PHOSPHATES LIMITED
CIN No.: L24129OR1981PLC001020
Corporate Office: Adventz Center, 3rd Floor, No.28, Union Street, Off Cubbon Road, Bengaluru - 560 001
Tel: +91 80 46812500/555 • Email: info-ppl@adventz.com
Registered Office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001
Tel: +0674 666 6100 • Fax: +0674 2392631
www.paradeepphosphates.com

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

To,
The Board of Directors,
Mangalore Chemicals & Fertilizers Limited

Introduction

We, the Statutory auditors of Mangalore Chemicals & Fertilizers Limited (herein after referred as "the company"), have examined Section C and D of the draft Scheme of Arrangement of Mangalore Chemicals & Fertilizers Limited ('Transferor Company") with Paradeep Phospates Limited ("Transferee Company) and their respective shareholders and creditors ("the Scheme") under provisions of SEBI Circular, Section 230 to 232 and other applicable provisions of the Companies Act 2013 ("the Act" and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules") with reference to its compliance with the applicable Indian Accounting Standards notified under section 133 of the Act and Other Generally Accepted Accounting Principles.

Management's Responsibility

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and Regulations, including the applicable Indian Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of draft scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI circular, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the relevant National company Law Tribunal, the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges')

Auditor's Responsibility

Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the Statutory Auditors of any financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India to the extent applicable. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information, and other assurance and related services engagements, issued by the Institute of Chartere d Accountants of India.

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
BANGALORE

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PKF SRIDHAR & SANTHANAM LLP • T8 & T9 Gem Plaza • 3rd Floor • 66 Infantry Road • Bangalore • 560 001 • India
REGISTRATION NO. WITH ICAI IS 003990S/S200018

Conclusion

Based on our examination and according to the information and explanations given to us, along with the representations provided to us by the management, the Company shall be amalgamated with Paradeep Phospates Limited with effect from the appointed date and shall stand dissolved without the process of winding up in terms of Section C and D of the Scheme. Accordingly, we understand that no accounting treatment shall be required in the books of accounts of the Company pursuant to the Scheme becoming effective.

Restriction to Use

Our obligation in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditor of the company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the service that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of the company.

This Certificate is issued at the request of the Mangalore Chemicals & Fertilizers Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the stock exchanges. This Certificate should not be used for any other purpose without our prior written consent.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
BANGALORE

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 24208545BKAELN9074

Place: Bangalore
Date: 7th Feb 2024

Annexure-13

BSE
The Power of Vibrance

DCS/AMAL/TS/R37/3547/2024-25 **February 27, 2025**

To,

The Company Secretary,
Paradeep Phosphates Limited
Orissa State Handloom Weavers Co-Operative Building, 5th floor, Pandit J. N Marg,
Bhubaneswar, Orissa, 751001

The Company Secretary,
Mangalore Chemicals & Fertilizers Limited
Level 11, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru, Karnataka, 560001

Sub: Observation letter regarding the Composite Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company") and Paradeep Phosphates Limited ("Transferee Company")

We refer to the Composite Scheme of Arrangement amongst Mangalore Chemicals & Fertilizers Limited ("Transferor Company") and Paradeep Phosphates Limited ("Transferee Company") and its respective shareholders and creditors filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated February 27, 2025, has inter alia given the following comment(s) on the said Scheme of Arrangement:

A. **"The Entity shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

B. **"The Entity is advised that, the additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."**

C. **"The Entity shall ensure compliance with the SEBI circulars issued from time to time."**

D. **"The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company. "**

E. **"The Entity is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

F. **"The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old. "**

G. **"The Entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."**

BSE
The Power of Vibrance

H. "The entities are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013 –

i. Details of (pre & post scheme) Assets and Liabilities of Paradeep and Mangalore, as applicable.
ii. Valuation methods, rationale and assumptions considered for arriving at the share exchange ratio.
iii. Rationale & synergies of the scheme and its impact on the public shareholders.
iv. Impact, if any, of the liabilities of Mangalore on the business of Paradeep post scheme of arrangement.
v. Details of complaints received, if any, along with response of the company for resolution of complaints.
vi. The proposal of scheme of arrangement shall be considered as approved only if the vote cast by public shareholders in favour of the proposal is more than the number of votes cast by public shareholders against it.

I. "The Entity is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."

J. "The Entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

K. "No changes to the draft scheme except those mandated by the regulators / authorities / tribunals shall be made without specific written consent of SEBI."

L. "The Entity is advised that the observations of SEBI / Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."

M. "The Entity is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."

N. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI / stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
iii. To duly comply with various provisions of the circulars.

JP. Sv.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents/information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company

Yours faithfully,

Sabah Vaze

Sabah Vaze
Senior Manager

Jayanti Pradhan.

Jayanti Pradhan
Assistant Manager

NSE

Nifty50

Ref: NSE/LIST/45468/45469

February 28, 2025

The Company Secretary
Mangalore Chemicals & Fertilizers Limited

Kind Attn.: Mr. Vighneshwar G Bhat

The Company Secretary
Paradeep Phosphates Limited

Kind Attn.: Mr. Sachin Patil

Dear Sirs,

Sub: Observation Letter for draft composite scheme of arrangement between Mangalore Chemicals & Fertilizers Limited ("Transferor Company") and Paradeep Phosphates Limited ("Transferee Company") and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft composite scheme of arrangement filed by Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited.

Based on our letter reference no. NSE/LIST/45468/45469 dated January 14, 2025, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 for comments on the draft Scheme of Arrangement. SEBI vide its letter dated February 27, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed company and the Stock Exchanges.*

c) *The Company shall ensure compliance with the SEBI Circular issued from time to time.*

d) *The Companies involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

e) *The Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

g) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

h) *The Companies shall ensure that the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013:*
   i. *Details of (Pre & Post Scheme) Assets and Liabilities of Paradeep & Mangalore, as applicable.*
   ii. *Valuation methods, rationale and assumptions considered for arriving at the share exchange ratio.*
   iii. *Rationale & synergies of the scheme and its impact on the public shareholders.*
   iv. *Impact, if any, of the liabilities of Mangalore on the business of Paradeep post scheme of arrangement.*
   v. *Details of complaints received, if any, along with response of the company for resolution of complaints.*
   vi. *The proposal of scheme of arrangement shall be considered as approved only if the vote cast by public shareholders in favour of the proposal is more than the number of votes cast by public shareholders against it.*

i) *The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

j) *The Company shall ensure that the "Scheme" shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*

k) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*

l) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

m) *The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder, including obtaining the consent from the creditors for the proposed scheme.*

n) *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBl /stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBl/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India Limited (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Listed entity involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from February 28, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

Details of ongoing adjudication and recovery proceedings, prosecutions initiated, and all other enforcement actions taken, if any, against the Transferee Company (Paradeep Phosphates Limited), its promoters and directors

To the best of our knowledge, there are no ongoing adjudication and recovery proceedings, prosecutions initiated, or any other enforcement actions taken against the Transferee Company, its Promoters or Directors, which would have adverse impact on the Modified Scheme or its implementation.

For Paradeep Phosphates Limited

Sachin Shankar Patil

Company Secretary

Date: 3rd March, 2025

PARADEEP PHOSPHATES LTD.

PARADEEP PHOSPHATES LIMITED
CIN No.: L24129OR1981PLC001020
Corporate Office: Adventz Center, 3rd Floor, No. 28, Union Street, Off Cubbon Road, Bengaluru - 560 001
Tel: +91 80 46812500/555 • Email: info-ppl@adventz.com
Registered Office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001
Tel: +0674 666 6100 • Fax: +0674 2392631
www. paradeepphosphates.com

PPL

November 25, 2024

To,
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI – 400 001

Dear Sir/Madam,

Company's Scrip Code in BSE : 543530
ISIN : INE088F01024

Ref: Application Number 196064 ("Application") under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations") for the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Sub: Complaints Report with respect to the Application made under Regulation 37 of the SEBI LODR Regulations read with SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	-	-	-
2.	-	-	-

The report of complaints as mentioned above is for the period from 05.03.2024 to 24.11.2024

Yours sincerely,
For and on behalf of **Paradeep Phosphates Limited**

Sachin Patil
Company Secretary
Membership No.: ACS31286
Place: Bangalore

PARADEEP PHOSPHATES LTD.

PARADEEP PHOSHATES LIMITED
CIN No.: L24129OR1981PLC001020
Corporate Office: Adventz Center, 3rd Floor, No. 28, Union Street, Off Cubbon Road, Bengaluru - 560 001
Tel: +91 80 46812500/555 • Email: info-ppl@adventz.com
Registered Office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001
Tel: +0674 666 6100 • Fax: +0674 2392631
www. paradeepphosphates.com

November 25, 2024

To,
Manager- Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

Company's Symbol in NSE : PARADEEP
ISIN : INE088F01024

Ref: Application Number 40289 ("Application") under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations") for the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited, Paradeep Phosphates Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Sub: Complaints Report with respect to the Application made under Regulation 37 of the SEBI LODR Regulations read with SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	-	-	-
2.	-	-	-

The report of complaints as mentioned above is for the period from 05.03.2024 to 24.11.2024

Yours sincerely,

For Paradeep Phosphates Limited

Sachin Patil
Company Secretary

Membership No.: ACS31286
Place: Bangalore

PARADEEP PHOSPHATES LIMITED
CIN No.: L24129OR1981PLC001020
Corporate Office: Adventz Center, 3rd Floor, No. 28, Union Street, Off Cubbon Road, Bengaluru-560001 **Tel**: + 91 80 46812500/555 **Email**: info-ppl@adventz.com
Registered office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751001
Tel: +0674 666 6100 Fax: +0674 2392631
www.paradeepphosphates.com

January 30 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir/Madam,

Company's Scrip Code in NSE	: PARADEEP
ISIN	: INE088F01024

Sub: Application filed under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations") for the draft composite scheme of arrangement amongst Mangalore Chemicals & Fertilizers Limited and Paradeep Phosphates Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

Ref: Report on Complaints with respect to the Application made under Regulation 37 of the SEBI LODR Regulations read with para I(A)(6) of the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular")

This is with reference to the Scheme filed by the Company under Regulation 37 of the SEBI LODR Regulations with National Stock Exchange of India Limited ('NSE') vide letter dated 26th February 2024 and filing of the Modified Scheme documents vide letter dated 25th November 2024. The Modified scheme documents was hosted on the website of NSE on 6th January 2025.

We hereby confirm that no complaints relating to the Modified Scheme have been received during the period 6th January 2025 to 27th January 2025. As required under the SEBI Master Circular, the 'Report on Complaints' as per the prescribed format under the aforesaid circular is enclosed.

The Report of Complaints is also uploaded on the website of the Company i.e. **https://www.paradeepphosphates.com/** as per the requirement in para 9(c) of Part I(A) of the SEBI Master Circular.

Yours sincerely,
For and on behalf of **Paradeep Phosphates Limited**

Sachin Patil
Company Secretary
Membership No.: ACS31286
Place: Bangalore

PARADEEP PHOSPHATES LTD. *

REPORT ON COMPLAINTS
(For the period 6th January 2025 to 27th January 2025)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status
Not Applicable			

Yours sincerely,
For and on behalf of **Paradeep Phosphates Limited**

Sachin Patil
Company Secretary
Membership No.: ACS31286
Place: Bangalore
Date: 30th January 2025

PARADEEP PHOSPHATES LTD. *

PARADEEP PHOSHATES LIMITED
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1. **Details of Assets, Liabilities, Revenue & Net worth of Paradeep Phosphates Limited ("PPL" or the "Transferee Company") and Mangalore Chemicals & Fertilizers Limited ("MCFL" or the "Transferor Company") as per the standalone financial statements of the Transferor Company and Transferee Company as on September 30, 2023**

(All amounts are in INR Crores)

S. No.	Particulars	Pre-Merger		Post-Merger
		MCFL	PPL	PPL
A.	**ASSETS**			
	Non-current assets			
	Property, plant and equipment	1,032.87	3,211.11	4,243.98
	Right-of-use assets	16.04	15.42	31.46
	Capital Work in Progress	56.10	436.72	492.82
	Goodwill	-	58.07	58.07
	Intangible assets	1.00	1.94	2.94
	Investments in associate	-	3.66	3.66
	Financial assets	6.07	-	6.07
	Other income tax assets (net)	1.44	54.96	56.40
	Other non-current assets (including goodwill arising on merger) (see *Note 1*)	11.82	55.58	871.50
	Total non-current assets	**1,125.34**	**3,837.46**	**5,766.90**
	Current assets			
	Inventories	151.14	1,925.58	2,076.72
	Financial assets			
	(i) Investments	0.00	-	0.00
	(ii) Trade receivables	184.62	2,642.20	2,826.82
	(iii) Cash and cash equivalents	898.28	235.28	1,133.56
	(iv) Other bank balances	60.27	90.98	151.25
	(v) Other financial assets	56.62	303.83	360.45
	Other current assets	141.91	590.01	731.92
	Assets classified as held for sale	-	0.23	0.23
		1,492.85	**5,788.11**	**7,280.96**
	TOTAL ASSETS	**2,618.19**	**9,625.57**	**13,047.86**
B.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	Equity share capital *(Face value of INR 10)*	118.55	814.74	1,036.34
	Other equity	783.63	2,621.46	4,106.15
	Total shareholders' funds	**902.18**	**3,436.20**	**5,142.48**
	Liabilities			

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S. No.	Particulars	Pre-Merger		Post-Merger
		MCFL	PPL	PPL
	Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	327.76	595.53	923.30
	(ii) Lease liabilities	17.94	15.61	33.55
	(iii) Others financial liabilities	-	0.02	0.02
	Provisions	11.65	24.38	36.03
	Deferred tax liabilities (net)	95.02	99.40	194.42
	Total non-current liabilities	**452.37**	**734.94**	**1,187.31**
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	633.04	3,289.63	3,922.67
	(ii) Lease liabilities	0.53	0.83	1.36
	(iii) Trade payables			
	a) total outstanding dues of micro enterprises and small enterprises	17.31	11.78	29.09
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	312.07	1,676.12	1,988.19
	(iv) Other financial liabilities	253.77	271.40	525.17
	Other current liabilities	17.62	130.35	147.97
	Provisions	11.89	74.09	85.98
	Current tax liabilities (net)	17.41	0.23	17.64
	Total current liabilities	**1,263.64**	**5,454.43**	**6,718.07**
	TOTAL LIABILITIES	**1,716.01**	**6,189.37**	**7,905.38**
	TOTAL EQUITY & LIABILITIES	**2,618.19**	**9,625.57**	**13,047.86**
C.	**REVENUE**			
	Revenue from operations	2,368.44	6,737.35	9,105.79
	Other Income	17.82	30.17	47.99
	Total revenue	**2,386.26**	**6,767.52**	**9,153.78**
D.	**NET WORTH**			
	Net worth[1]	**902.18***	**3,436.20**	**5,142.48***

[1] For the purpose of calculation of net worth, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the unaudited limited review balance sheet as on September 30, 2023.

*This includes INR 57.48 crores as at September 30, 2023, relating to revaluation of property, plant and equipment.

Note 1: As per the applicable accounting standard, PPL is required to measure the assets acquired and the liabilities assumed at their acquisition-date fair values. The excess of the merger consideration over the net assets acquired would be recognized as goodwill as per the applicable accounting standard. Hence, the above financial details are indicative in nature.

For Paradeep Phosphates Limited

Sachin Patil
Company Secretary
ACS-31296

P.C. DAS & CO. * Bhubaneswar * Chartered Accountants

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P.C. DAS & CO. * Bhubaneswar * Chartered Accountants

PPL

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF PARADEEP PHOSPHATES LIMITED (THE "COMPANY") AT ITS MEETING HELD ON WEDNESDAY, 7TH FEBRUARY, 2024 AT 5:30 P.M.

TO APPROVE THE COMPOSITE SCHEME OF ARRANGEMENT INTER ALIA INVOLVING THE AMALGAMATION OF MANGALORE CHEMICALS & FERTILIZERS LIMITED WITH AND INTO THE COMPANY

A. Execution of the Merger Cooperation Agreement

"**RESOLVED THAT** Mr. N. Suresh Krishnan – Managing Director, Mr. Rajeev Nambiar – President & COO, Mr. Bijoy Kumar Biswal – CFO, Mr. Alok Saxena – Head of Corporate Finance and Mr. Sachin Patil – Company Secretary, be and are hereby severally authorised to discuss, negotiate, approve, finalize and to sign and execute the merger cooperation agreement to be entered into between the Company and Mangalore Chemicals & Fertilizers Limited ("**Merger Cooperation Agreement**"), for and on behalf of the Company;

RESOLVED FURTHER THAT the Board of director of the Company hereby authorizes the setting up of a committee comprising Mr. N. Suresh Krishnan – Managing Director, Mr. Soual Mohamed – Director Mr. Dipankar Chatterji – Independent Director (the "**Merger Implementation Committee**), and authorizes the Merger Implementation Committee to: (i) do any material acts, matters, deeds and things in connection with or incidental to the Merger Cooperation Agreement (including preparing, negotiating, finalizing and signing any amendment(s) or modification(s) or variation(s) to the Merger Cooperation Agreement) and provide any consents required to be provided by the Company in terms of the Merger Cooperation Agreement and the finalization of any document(s), agreement(s) and instrument(s) that are required to be in a form agreed between the Company and Mangalore Chemicals & Fertilizers Limited; and (ii) discuss, negotiate, approve, finalize and to sign and execute any ancillary document(s), letter(s), notice(s) and/or instrument(s) to be executed by the Company in relation to the Merger Cooperation Agreement (each, an "**Ancillary Document**"), including any modification(s), amendment(s) or alteration(s) thereto, in each case, for and on behalf of the Company; and (iii) to do all acts, matters, deeds and things in connection therewith and incidental to or as may be required or desirable to undertake the transactions contemplated under the Merger Cooperation Agreement and/or any Ancillary Document including appointment and removal of members to the Integration Committee and constituting the 'Clean Team', and/or give effect to this resolution;

RESOLVED FURTHER THAT any of the directors on the board of directors of the Company or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

B. Approval of the Composite Scheme of Arrangement

"**RESOLVED THAT** pursuant to and in accordance with the: (i) provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") read with the applicable rules framed thereunder; (ii) applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India ("**SEBI**" and such circular, the "**Scheme Circular**"); (iii) the enabling provisions of the Memorandum of Association and the Articles of Association of the Company; and (iv) any other rule(s), regulation(s), guideline(s), notification(s), circular(s) and clarification(s) issued from time to time by the

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Ministry of Corporate Affairs, the SEBI, the Competition Commission of India ("**CCI**"), the Reserve Bank of India and/or any other regulatory/ statutory authority, in each case, to the extent applicable and including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force, subject to the terms of the Merger Cooperation Agreement and subject to obtaining: (a) the approval of relevant jurisdictional National Company Law Tribunals ("**NCLT**"); (b) the approval of the respective shareholders and creditors (as applicable) of the Company and Mangalore Chemicals & Fertilizers Limited ("**Transferor Company**"); (c) approval of the CCI; (d) receipt of the no-objection letters of the BSE Limited and the National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"); and (e) such other approval(s), consent(s), permission(s) and sanction(s) of any other regulatory/ statutory authority(ies), if required and to the extent applicable, and subject to such terms and conditions and modifications as may be prescribed by the NCLT and/or any other regulatory/ statutory authority(ies) while granting such approvals, consents, permissions and sanctions, which the board of directors of the Company ("**Board**", which expression shall be deemed to include the Merger Implementation Committee) is hereby authorised to accept, the consent of the Board be and is hereby accorded to the composite scheme of arrangement by and amongst the Company, the Transferor Company, and their respective shareholders and creditors, in relation to ***inter alia*** the amalgamation of the Transferor Company with and into the Company ("**Scheme**");

RESOLVED FURTHER THAT pursuant to the relevant provisions of the Companies Act, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Scheme;

2. the valuation report dated February 07,2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board;

3. the fairness opinion dated February 07,2024 issued by Inga Ventures Private Ltd, SEBI registered merchant banker appointed by the Company;

4. the certificate dated February 07,2024 issued by B S R & Co. LLP the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act and other applicable laws;

5. the report of the audit committee of the Board dated February 07,2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular;

6. the report of the committee of the independent directors dated February 07,2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular;

7. the report of the Board in terms of Section 232(2)(c) of the Companies Act; and

8. the detailed compliance report to be filed with the Stock Exchanges prepared in conformity with the Scheme Circular.

M

RESOLVED FURTHER THAT the Board hereby, for the purpose of coordinating with the SEBI, in terms of the Scheme Circular, designates BSE Limited as the 'Designated Stock Exchange'; and

RESOLVED FURTHER THAT the Merger Implementation Committee be and is hereby authorised to take the following actions and decisions:

(a) making any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;

(b) filing the Scheme and/ or any other information/ details/ documents (including any affidavits)/ instruments with the NCLT or any other body or regulatory authority or agency (including third parties) to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;

(c) withdrawing the Scheme in accordance with the Scheme and / or the Merger Cooperation Agreement;

(d) filing appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening/ dispensing with the meeting of the shareholders / secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;

(e) filing any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, CCI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;

(f) signing all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and representing the Company before the NCLT, Stock Exchanges, CCI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;

(g) engaging, dismissing or changing counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;

(h) signing and executing the vakalatnama wherever necessary, and signing and issuing public advertisements and notices in connection with the Scheme;

(i) settling any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;

(j) obtaining approval from the NCLT, Stock Exchanges, CCI and such other authorities and persons including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme and in terms of the Merger Cooperation Agreement;

(k) incurring expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);

PPL

(l) doing all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the actions set out above; and

(m) delegate all or any of the abovementioned powers to any other person.

RESOLVED FURTHER THAT any of the directors on the Board or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

For and on behalf of **Paradeep Phosphates Limited**

Sachin Patil
Company Secretary

PARADEEP PHOSPHATES LTD.

Mangalore Chemicals
& Fertilizers Limited

THE EXTRACTS OF THE MINUTES OF 396TH MEETING OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED HELD ON WEDNESDAY, FEBRUARY 07, 2024 AT 5.30 PM THROUGH VIDEO CONFERENCING FACILITY AT THE ADVENTZ CENTRE, 28 UNION STREET, BANGALORE – 560001 AS SCHEDULED VENUE.

A. Execution of the Merger Cooperation Agreement

"**RESOLVED THAT** the board of directors of the Company ("Board") hereby approves the draft of the merger cooperation agreement to be entered into between the Company and Paradeep Phosphates Limited ("Merger Cooperation Agreement") and Mr. Nitin M Kantak, Whole-time Director, Mr. Muralidharan T M, Chief Financial Officer and Mr. Vighneshwar G Bhat, Company Secretary & Compliance Officer be and are hereby jointly and severally authorised to discuss, negotiate, approve, finalize and to sign and execute the Merger Cooperation Agreement and any ancillary document(s), letter(s), notice(s) and/or instrument(s) to be executed by the Company in relation to the Merger Cooperation Agreement (collectively, the "Transaction Documents"), for and on behalf of the Company (including any modifications, amendments and alterations to the Transaction Documents as they may deem fit), and to do all acts, matters, deeds and things in connection therewith and incidental thereto or all such acts, deeds, matters and things as may be required or desirable to undertake the transactions contemplated thereunder and/or give effect to this resolution;

RESOLVED FURTHER THAT any of the directors on the board of directors or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

B. Approval of the Composite Scheme of Arrangement

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder as may be applicable, the provisions of the Income Tax Act, 1961, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India ("**SEBI**" and such circular, the "**Scheme Circular**") and any other applicable laws, rules, circulars and regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the relevant provisions of the Memorandum of Association and Articles of Association of the Company, the approval of the relevant jurisdictional National Company Law Tribunals ("**NCLT**") and such other approval(s), permission(s) and sanction(s) of regulatory/ statutory authority(ies), as may be necessary, and subject to such condition(s) and modification(s) as may be prescribed or imposed by the NCLT or by any regulatory/ statutory authority(ies), while granting such consent(s), approval(s) and permission(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the consent of the Board be and is hereby accorded to the composite scheme of arrangement by and amongst the Company, the Transferee Company, and their respective shareholders and creditors, in relation to inter alia the amalgamation of the Company with and into the Transferee Company;

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

MCF
Mangalore Chemicals
& Fertilizers Limited

RESOLVED FURTHER THAT pursuant to the relevant provisions of the Companies Act, 2013, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Scheme;

2. the valuation report dated February 07,2024 issued jointly by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV/06/2019/12475), registered valuers appointed by the audit committee of the Board;

3. the fairness opinion dated February 07, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker appointed by the Company;

4. the certificate dated February 07, 2024 issued by PKF Sridhar & Santhanam LLP, the statutory auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other applicable laws;

5. the report of the audit committee of the Board dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular;

6. the report of the committee of the independent directors dated February 07, 2024 recommending the Scheme for approval, prepared in conformity with the Scheme Circular; and

7. the report of the Board in terms of Section 232(2)(c) of the Companies Act, 2013;

8. the detailed compliance report to be filed with the Stock Exchanges prepared in conformity with the Scheme Circular.

RESOLVED FURTHER THAT the Board hereby, for the purpose of coordinating with the SEBI, in terms of the Scheme Circular, designate BSE Limited as the 'Designated Stock Exchange'; and

RESOLVED FURTHER THAT Mr. Nitin M Kantak, Whole-time Director, Mr. Muralidharan T M, Chief Financial Officer and Mr. Vighneshwar G Bhat, Company Secretary & Compliance Officer, be and are hereby jointly and severally authorised to take all actions and decide all matters relating to and/or incidental to the Scheme and/or necessary or desirable for giving effect to the Scheme, including but not limited to:

(a) making any alterations, changes, or modifications to the Scheme, as may be expedient or necessary;

(b) filing the Scheme and/ or any other information/ details/ documents (including any affidavits)/ instruments with the NCLT or any other body or regulatory authority or agency (including third parties) to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;

(c) withdrawing the Scheme in accordance with the Scheme and / or the Merger Cooperation Agreement;

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

(d) filing appropriate application(s), documents, petitions, filings, affidavits, letters or writings before the NCLT, or such other appropriate authorities seeking directions as to convening/ dispensing with the meeting of the shareholders / secured or unsecured creditors of the Company and, where necessary, to take steps to convene and hold such meetings as per the directions of the NCLT or such other appropriate authority;

(e) filing any affidavits, petitions, pleadings, applications, orders, forms or reports before the NCLT, Stock Exchanges, CCI or any statutory or regulatory authority including the Registrar of Companies, as may be necessary, in connection with the Scheme and/or in connection with the sanction thereof, and to do all such acts, deeds or things as may be deemed necessary or desirable in connection therewith or incidental thereto;

(f) signing all applications, affidavits, petitions, pleadings, documents, filings, letters or writings relating to the Scheme, and represent the Company before the NCLT, Stock Exchanges, CCI and any other regulatory authorities in relation to any matter pertaining to the Scheme or delegate such authority to any other person by a valid power of attorney;

(g) engaging, dismissing or changing counsels, advocates, solicitors, valuers and other professionals in connection with the Scheme;

(h) signing and executing the vakalatnama wherever necessary, and signing and issuing public advertisements and notices in connection with the Scheme;

(i) settling any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;

(j) obtaining approval from the NCLT, Stock Exchanges, CCI and such other authorities and parties including the shareholders, creditors and lenders as may be considered necessary, for the approval and sanction of the Scheme;

(k) incurring expenses as may be necessary to give effect to the Scheme, including payment of fees to attorneys, counsels and other expenses (such as stamp duty and other applicable taxes);

(l) doing all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and

(m) delegate all or any of the abovementioned powers to any other person;

RESOLVED FURTHER THAT any of the directors on the Board or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

"CERTIFIED TRUE COPY"

For Mangalore Chemicals & Fertilizers Limited

VGBhat

Vighneshwar G Bhat
Company Secretary
ACS: 16651

MANGALORE CHEMICALS & FERTILIZERS LTD. ★ BANGALORE

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 211th MEETING OF THE BOARD OF DIRECTORS ("BOARD") OF PARADEEP PHOSPHATES LTD. ("COMPANY") HELD ON MONDAY, 25th NOVEMBER 2024 AT 03:30 PM THROUGH VIDEO CONFERENCING FACILITY AT THE ADVENTZ CENTRE, 28, UNION STREET, BANGALORE – 560001, KARNATAKA, AS SCHEDULE VENUE.

To approve the draft modified composite scheme of arrangement inter alia involving the amalgamation of Mangalore Chemicals & Fertilizers Limited with and into the Company

"**RESOLVED THAT** in furtherance to and partial modification to the resolutions passed by the board of directors of the Company ("**Board**", which expression shall deemed to include the Merger Implementation Committee) at its meeting held on 07th February 2024 for inter alia approving the composite scheme of arrangement by and amongst the Company, Mangalore Chemicals & Fertilizers Limited and their respective creditors and shareholders ("**Original Scheme**"), pursuant to and in accordance with: (i) the observations made by the Securities and Exchange Board of India ("**SEBI**") in respect of the Original Scheme as communicated to the Company by way of the letters dated 02nd September 2024 and 11th September 2024 issued by the BSE Limited and the National Stock Exchange of India Limited respectively (collectively, the "**Stock Exchanges Letters**"), (ii) provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") read with the applicable rules framed thereunder, (iii) applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023 issued by SEBI (such circular, the "**Scheme Circular**"), (iv) the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and (v) any other rule(s), regulation(s), guideline(s), notification(s), circular(s) and clarification(s) issued from time to time by the Ministry of Corporate Affairs, the SEBI, the Reserve Bank of India and/or any other regulatory/statutory authority, in each case, to the extent applicable and including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force, subject to the approval of the relevant jurisdictional National Company Law Tribunals ("**NCLT**") and such other approval(s), permission(s) and sanction(s) of regulatory/ statutory authority(ies), if required and to the extent applicable, and subject to such terms and conditions and modifications as may be prescribed by the NCLT or any regulatory/ statutory authority(ies), while granting such approvals, consents, permission and sanctions, which the Board is hereby authorised to accept, the consent of the Board be and is hereby accorded to the draft modified Original Scheme ("**Modified Scheme**"), a copy of which was placed before the Board with the relevant modifications;

PARADEEP PHOSPHATES LTD. *

PARADEEP PHOSHATES LIMITED
CIN No.: L24129OR1981PLC001020
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Tel: +91 80 46812500/555 • Email: info-ppl@adventz.com
Registered Office: Bayan Bhawan, Pandit J N Marg, Bhubaneswar - 751 001
Tel: +0674 666 6100 • Fax: +0674 2392631
www. paradeepphosphates.com

RESOLVED FURTHER THAT pursuant to the relevant provisions of the Companies Act, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Modified Scheme;

2. the valuation report dated November 25, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV /06/2019/124 75), registered valuers appointed by the audit committee of the Company ("**Valuation Report**");

3. the fairness opinion dated November 25, 2024 issued by Inga Ventures Private Limited, SEBI registered merchant banker with registration number INM000012698 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**");

4. the report of the audit committee of the Board dated November 25, 2024 recommending the Modified Scheme for approval, prepared in conformity with the observations of SEBI communicated to the Company by way of the Stock Exchanges Letters; and

5. the report of the committee of the independent directors dated November 25, 2024 recommending the Modified Scheme for approval, prepared in conformity with the observations of SEBI communicated to the Company by way of the Stock Exchanges Letters.

RESOLVED FURTHER THAT except the amendments made to the Original Scheme in conformity with the observations of SEBI communicated to the Company by way of the Stock Exchanges Letters, all the other provisions of the Original Scheme shall remain unaltered and unchanged in the Modified Scheme;

RESOLVED FURTHER THAT the Modified Scheme does not have any impact on the other documents approved by the Board by way of the resolution passed at its meeting held on 07th February 2024 – inter alia including the certificate dated 07th February 2024 issued by B S R & Co. LLP, the statutory auditors of the Company certifying that the accounting treatment contained in the Original Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act and other applicable laws, and the approval of the Board for such documents, continue to subsist without any modification.

RESOLVED FURTHER THAT any of the directors on the Board or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

For Paradeep Phosphates Limited

Sachin Patil
Company Secretary
ACS - 31286

PARADEEP PHOSHATES LIMITED
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Mangalore Chemicals
& Fertilizers Limited

THE EXTRACTS OF THE MINUTES OF 400th MEETING OF THE BOARD OF DIRECTORS OF MANGALORE CHEMICALS & FERTILIZERS LIMITED HELD ON MONDAY, NOVEMBER 25, 2024 AT 03.30 PM THROUGH VIDEO CONFERENCING FACILITY AT LEVEL-11, UB TOWER, UB CITY, 24, VITTAL MALLYA ROAD, BANGALORE-560001 AS SCHEDULED VENUE.

To approve the draft modified composite scheme of arrangement inter alia involving the amalgamation of the Company with and into Paradeep Phosphates Limited

"**RESOLVED THAT** in furtherance to and partial modification to the resolutions passed by the board of directors of the Company ("**Board**") at its meeting held on 07th February 2024 for inter alia approving the composite scheme of arrangement by and amongst the Company, Paradeep Phosphates Limited and their respective creditors and shareholders ("**Original Scheme**"), pursuant to and in accordance with: (i) the observations made by the Securities and Exchange Board of India ("**SEBI**") in respect of the Original Scheme as communicated to the Company by way of the letters dated 02nd September, 2024 and 11th September, 2024 issued by the BSE Limited and the National Stock Exchange of India Limited respectively (collectively, the "**Stock Exchanges Letters**"), (ii) provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") read with the applicable rules framed thereunder, (iii) applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Master Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated 20th June, 2023 issued by SEBI (such circular, the "**Scheme Circular**"), (iv) the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and (v) any other rule(s), regulation(s), guideline(s), notification(s), circular(s) and clarification(s) issued from time to time by the Ministry of Corporate Affairs, the SEBI, the Reserve Bank of India and/or any other regulatory/statutory authority, in each case, to the extent applicable and including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force, subject to the approval of the relevant jurisdictional National Company Law Tribunals ("**NCLT**") and such other approval(s), permission(s) and sanction(s) of regulatory/ statutory authority(ies), if required and to the extent applicable, and subject to such terms and conditions and modifications as may be prescribed by the NCLT or any regulatory/ statutory authority(ies), while granting such approvals, consents, permission and sanctions, which the Board is hereby authorised to accept, the consent of the Board be and is hereby accorded to the draft modified Original Scheme ("**Modified Scheme**"), a copy of which was placed before the Board with the relevant modifications.

RESOLVED FURTHER THAT pursuant to the relevant provisions of the Companies Act, the Scheme Circular and other applicable law(s), the Board hereby approves and takes on record the following documents, which have been placed before the Board:

1. the draft Modified Scheme;

2. the valuation report dated November 25, 2024 jointly issued by SSPA & Co Chartered Accountants (IBBI Registration No. IBBI/RV-E/06/2020/126) and Pawan Shivkumar Poddar (IBBI Registration No. IBBI/RV /06/2019/12475), registered valuers appointed by the audit committee of the Company ("**Valuation Report**");

3. the fairness opinion dated November 25, 2024 issued by Fedex Securities Private Limited, SEBI registered merchant banker with registration number INM000010163 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**");

MANGALORE CHEMICALS & FERTILIZERS LTD. BANGALORE

4. the report of the audit committee of the Board dated November 25, 2024 recommending the Modified Scheme for approval, prepared in conformity with the observations of SEBI communicated to the Company by way of the Stock Exchanges Letters; and

5. the report of the committee of the independent directors dated November 25, 2024 recommending the Modified Scheme for approval, prepared in conformity with the observations of SEBI communicated to the Company by way of the Stock Exchanges Letters.

RESOLVED FURTHER THAT except the amendments made to the Original Scheme all the other provisions of the Original Scheme shall remain unaltered and unchanged in the Modified Scheme;

RESOLVED FURTHER THAT the Modified Scheme does not have any impact on the other documents approved by the Board by way of the resolution passed at its meeting held on 07th February, 2024 – inter alia including the certificate dated 07th February, 2024 issued by M/s. PKF Sridhar & Santhanam LLP, the statutory auditors of the Company certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act and other applicable laws continues to subsist without any modification.

RESOLVED FURTHER THAT any of the directors on the Board or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to issue/provide certified true copy(ies) of the aforementioned resolution(s) to any person(s) as may be required."

"CERTIFIED TRUE COPY"

For Mangalore Chemicals & Fertilizers Limited

VGBhat

MANGALORE CHEMICALS & FERTILIZERS LTD.
BANGALORE

Vighneshwar G Bhat
Company Secretary
ACS: 16651