58th ANNUAL REPORT 2023 - 24

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MADRAS FERTILIZERS LIMITED

MANALI, CHENNAI - 600 068

Board of Directors

Shri Manoj Kumar Jain
Chairman & Managing Director

Dr Tina Soni
GOI Nominee Director

Dr K Jayachandran
Director - Technical (Additional Charge)

Shri Mohammad Bagher Dakhili
NICO Nominee Director

Shri. Babak Bagherpour
NICO Nominee Director

Smt. Samieh Kokabi
NICO Nominee Director

Shri Nalabothu Venkata Rao
Non-official Independent Director

Dr C R Jayanthi
Non-official Independent Director

Shri Sanjay Vishnu Shetye
Non-official Independent Director

Dr Jatin Kumar Mohanty
Non-official Independent Director

BOARD OF DIRECTORS (AS ON 30.08.2024)

CHAIRMAN & MANAGING DIRECTOR
Shri. MANOJ KUMAR JAIN

Directors
1. Shri Manoj Kumar Jain
2. Dr Tina Soni
3. Dr K Jayachandran
4. Shri Mohammad Bagher Dakhili
5. Shri. Babak Bagherpour
6. Smt. Samieh Kokabi
7. Shri Nalabothu Venkata Rao
8. Dr C R Jayanthi
9. Shri Sanjay Vishnu Shetye
10. Dr Jatin Kumar Mohanty

Audit Committee
1. Shri Nalabothu Venkata Rao
2. Dr Tina Soni
3. Dr C R Jayanthi
4. Shri Sanjay Vishnu Shetye
5. Dr Jatin Kumar Mohanty

Stakeholders Relationship Committee
1. Shri Mohammad Bagher Dakhili
2. Dr Tina Soni
3. Shri Manoj Kumar Jain
4. Shri Nalabothu Venkata Rao
5. Dr K Jayachandran

Risk Management Committee
1. Shri Nalabothu Venkata Rao
2. Shri Mohammad Bagher Dakhili
3. Shri Manoj Kumar Jain
4. Dr K Jayachandran

Corporate Social Responsibility Committee
1. Dr C R Jayanthi
2. Dr Tina Soni
3. Shri Manoj Kumar Jain
4. Shri Sanjay Vishnu Shetye
5. Dr K Jayachandran
6. Dr Jatin Kumar Mohanty

Nomination and Remuneration Committee
1. Shri Sanjay Vishnu Shetye
2. Shri Manoj Kumar Jain
3. Shri Nalabothu Venkata Rao
4. Dr C R Jayanthi
5. Dr Jatin Kumar Mohanty

Executives

Shri Manoj Kumar Jain
Chairman & Managing Director

Dr. K Jayachandran
Director – Technical (Additional Charge)

Shri N Ram Kumar, IRS
Chief Vigilance Officer

Shri A Madhan Mohan
Chief Financial Officer

Shri B Somu
General Manager - Personnel & Administration

Shri T Vannia Perumal
General Manager – Plant (Additional Charge)

Shri B Annil Kumar
General Manager – M&D (Additional Charge)

Shri J Srinivasa Saravanan
Company Secretary &
Compliance Officer

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Registered Office
Manali,
Chennai – 600 068
Tamil Nadu, India

Principal Bankers
State Bank of India

Auditors
M/s. Chandran & Raman
Chartered Accountants
"Paragon"
No.2, Radhakrishnan Road
2nd Street, Mylapore
Chennai 600 004

MADRAS FERTILIZERS LIMITED

(A GOVERNMENT OF INDIA UNDERTAKING)
CIN – L32201TN1966GOI005469
REGD. OFFICE: POST BAG NO.2, MANALI, CHENNAI 600 068
TEL.044-25942281 / 25945489
WEBSITE:WWW.MADRASFERT.CO.IN EMAIL: CS@MADRASFERT.CO.IN

NOTICE

NOTICE is hereby given that the 58th Annual General Meeting (AGM) of Madras Fertilizers Limited will be held on Thursday, September 26, 2024, at 11.00 a.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2024 and the Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flow, Statement of Changes in Equity, Notes comprising Significant Accounting Policies and other Explanatory information forming part of Financial Statements for the year ended on that date together with the Directors' Report, Auditors' Report and the comments of the Comptroller and Auditor General of India (CAG) and our replies thereon.

2. To authorize the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the Financial Year 2024-25 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following resolution as an ORDINARY resolution:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller & Auditor General of India for the Financial Year 2024-25."

SPECIAL BUSINESS

3. **To elect Shri Manoj Kumar Jain (DIN 10690782) as a Chairman & Managing Director of the Company:**

The Government of India as per Government Order Notification No.84/3/2017-HR-I (e-21879) dated 5th June 2024 has appointed Shri Manoj Kumar Jain (DIN 10690782) to the post of Chairman & Managing Director of the Company for a period of five years with effect from the date of assumption of charge (07.06.2024) of the post or until further orders, whichever is earlier. The Members may consider and if thought fit, to pass,with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 160(1)& 161 (1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Articles of Association of the Company, Shri Manoj Kumar Jain (DIN 10690782), be and is hereby appointed as Chairman & Managing Director in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification No.84/3/2017-HR-I (e-21879) dated 5th June 2024 for a period of five years with effect from 07.06.2024.

4. **Appointment of Dr Tina Soni (DIN No 07720240) as Director on the Board of Directors of the Company:**

As per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification No.95/1/2019-HR PSU dated April 4, 2024 Dr Tina Soni (DIN No.07720240) was appointed the Government of India Nominee Director in the Board of the Company. The Member may consider and if thought fit, to pass,with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made

thereunder read with Articles of Association of the Company, Dr Tina Soni (DIN No 07720240), who was appointed as a Director in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Government of India Notification No.95/1/2019-HR PSU with effect from April 4, 2024, until further order, be and is hereby elected as a Director of the Company and shall hold office upto the date of next AGM.

5. Ratification of Remuneration to Cost Auditor for the Financial Year 2024-25:

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

RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Audit and Auditor) Rules 2014, Mrs. Aruna Prasad & Co., (Firm No.100883) Cost Accountant, appointed by the Board at its meeting held on May 28, 2024 as Cost Auditor to conduct the cost audit of the Company for fertilizers for the financial year 2024-25 as per the directions issued by the Central Government at a fee of ₹1,21,000/- plus taxes besides reimbursement out of pocket expenses at actuals be and is hereby ratified."

By Order of the Board

Manoj Kumar Jain
Chairman & Managing Director
DIN :10690782

Place: Chennai
Date : August,14, 2024

Note:

1. Pursuant to General Circular No.14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, CircularNo. 02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05,2022, CircularNo.10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 respectively, issued by the Ministry of Corporate ffairs ("MCACirculars"), Circular No.SEBI/HO/CFD/ CMD1/CIR/ P/2020 /79 dated May 12, 2020, Circular No. SEBI/HO/CFD/ CMD2/CIR /P/2021/11 dated January 15, 2021, Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD- 2/P/ CIR/2023/4 dated January 05, 2023 and Circular No. SEBI /HO/CFD/CFD-POD-2/P/CIR/2023/167 dated October 07, 2023, issued by the Securities and Exchange Board of India ("SEBI Circulars") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations/SEBI Listing Regulations"), the 58th Annual General Meeting (' AGM') of the Company is being conducted through VC/OAVM Facility, without the physical presence of Members at a common venue. The deemed venue shall be the Registered Office of the Company.

2. Further, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the MCA and SEBI Circulars, the Company is holding its Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. For the said purpose the Company has engaged the services of National Securities Depository Limited (NSDL) for conducting AGM through VC/OAVM. Further, NSDL has also been engaged for facilitating e-voting to enable the members to cast their votes electronically using remote e-voting system as well as e-voting during the AGM.

   The procedure for participating in the meeting through VC/OAVM is explained in the notes below.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material, relating to special business to be transacted at the meeting is annexed hereto.

4. Brief profile and other additional information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at the AGM, is also annexed to the Notice.

5. The relevant documents referred to in the accompanying Notice and the Statement pursuant to Seciton 102 of the Act, shall be available for inspection by the members at the registered office of the Company during normal business hours (between 10.00 A,M. and 01.00 P.M.) on all working days, from the date of circulation of this notice upto the date of the AGM. The relevant documents will also be made available on the website of the Company during the above mentioned period. Members seeking to inspect such documents can also send an email to **cs@madrasfert.co.in**

   The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act"), the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the Certificate from the Secretarial Auditors of the Company pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM.

   Further, members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by September 19, 2024 through email on cs@madrasfert.co.in. Such questions shall be taken up during the meeting or replied by the Company suitably.

6. Pursuant to the Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote at the meeting on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form is not annexed hereto. Since, the AGM will be held through VC, the route map, and attendance slip are also not annexed to this Notice.

7. Pursuant to the abovementioned Circulars, the Company will send the Annual Report for the financial year 2023-24 and AGM notice in electronic form only. The Notice of AGM and Annual Report for the financial year 2023-24 are also placed on the website of the Company i.e. www.madrasfert.co.in and the website of National Securities Depository Limited i.e. www.evoting. nsdl.com and at the relevant sections of the websites of the stock exchange i.e. National Stock Exchange of India Ltd. **(www.nseindia.com).**

8. The Notice is being sent only through electronic mode to all the Members/Beneficiaries, whose names appear on the Register of Members/ Record of Depositories as on 26th day, August 2024 and who have registered their email addresses with the Company / RTA or Depository/Depository Participant, in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and the MCA and SEBI Circulars.

9. The remote e-voting period begins on 23rd day, September, 2024 at 9.00 A.M. (IST) and ends on 25th day, September, 2024 at 5.00 P.M.(IST). During this period, members of the Company holding equity shares either in physical form or in dematerialised form, as on the cut-off date i.e., 19th day, September, 2024, may cast their vote electronically. The remote e-voting will not be allowed beyond the aforesaid date and time as the same shall be disabled by NSDL for voting thereafter.

   The facility for electronic voting system, shall also be made available at the AGM. The Members attending the AGM, who have not cast their votes through remote e-voting and are otherwise not barred from doing so, shall be able to exercise their voting rights at the AGM. The Members who have already cast their

votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. There will be one e-vote for every Folio/ Client ID irrespective of the number of joint holders. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the Member(s) as on cut off date and any person who is not a member as on that date should treat this Notice for information purposes only.

10. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11.00 a.m. (IST) i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility, 15 minutes after the scheduled time to start the AGM. The facility of participation at the General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. However, the said restriction on account of first come first served principle shall not be applicable on large shareholders (shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship, Auditors, etc.

11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

12. Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/ Folio no, No. of shares, PAN, mobile number at cs@madrasfert.co.in on or before 16th September 2024. Only those Members who have registered themselves as a speaker will be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

13. The Board of Directors have appointed Mr V Esaki & Associates, Company Secretaries (Membership No.30353) as the Scrutiniser to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner. The Scrutiniser has communicated their willingness to be appointed for the said purpose.

14. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company (www.Madrasfert.co.in) and the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman and in his absence, any Director/Officer of the Company authorised by the Chairman and the same will also be communicated to National Stock Exchange of India Limited. It shall also be displayed on the Notice Board at the Registered Office and the Corporate office of the Company.

15. With a view to using natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, Bank details covering name of the Bank and branch details, Bank account number, MICR code, IFSC code, etc. with their depository participants and with RTA if shares are held in physical form to enable the Company to send all the communications electronically including Annual Report, Notices, Circulars, etc.

16. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form

are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

17. Members are requested to notify the change in address if any, with Pin Code numbers immediately to the RTA i.e.M/s. Integrated Registry Management Services Pvt Ltd., (IRMSPL) Kences Towers, II Floor, No.1, Ramakrishna Street, T Nagar, Chennai 60017, Phone 044-28140801 to 803 email : einward@integratedindia.in.

18. Non-Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return to India for permanent settlement, particulars of their Bank account maintained in India with complete name, branch, account type, account number and address of Bank with pin code number, if not furnished earlier. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

19. SEBI vide its circular dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.

20. Pursuant to SEBI circular dated March 16, 2023, November 3, 2021 and clarification circular dated December 14, 2021, members holding shares in physical form are advised to update their PAN, KYC details and nomination etc. in prescribed forms. The forms can be downloaded from the website of the company at www.madrasfert.co.in. Further, in respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant. The folios wherein any one of the KYC details is not available on or after October 01, 2023, shall be frozen by the RTA.

21. SEBI vide its circular dated May 30, 2022 has prescribed Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for a dispute between a Listed Company and/or RTA and its Shareholders(s) / investor(s). The said circular is available on the website of the Company at www.madrasfert.co.in.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on 23rd day, September 2024 at 9.00 A.M. (IST) and ends on 25th day, September 2024 at 5.00 P.M.(IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e19th day, September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th day, September, 2024.

The instructions for Members for remote E-voting are as given below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices. nsdl.com. Select "Register Online for IDeAS Portal" or click at https:// eservices.nsdl.com/ SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www. evoting.nsdl.com/ either on a Personal Computer or on a mobile phone. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia. com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login redentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

IMPORTANT NOTE:

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

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call toll free number 022-48867000 and 022 - 24997000
Individual Shareholders holding Securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free number 1800 22 55 33.

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode. How to Log-in to NSDL e-Voting website?

i. Visit the e-voting website of NSDL. Open web browser by typing the following URL https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsd.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

iv. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
A. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
B For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:

a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system:

A. How to cast your vote electronically on NSDL e-voting system?

i. After successful login at Step 1, you will be able to see the all the Companies 'EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select "EVEN" of the Company for which you wish to cast your vote during remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".

iii. Now you are ready for e-voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Other information:

i. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in.**

ii. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password?' option available on www. evoting.nsdl.com or contact NSDL or call on : 022 - 4886 7000 and 022 - 2499 7000. Individual demat account holders will follow the process mention in Access to NSDL system.

General Guidelines for Shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to esakics@gmail.com with a copy marked to evoting@nsdl.co.in

   Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting

user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on 022-4886 7000 and 022- 2499 7000 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Limited, Trade World, "A" wing, 4th Floor, Kamala Mills Compound, Senapati Bapat, Lower Parel, Mumbai or to the email IDevoting@nsdl.co.in who will also address the grievances connected with voting by electronic means.

Process for those Shareholders whose email IDs are not registered with the depositories for procuring user ID and Password and registration of email IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) by email to corpserv@integratedindia.in.
2. Incase shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (Self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar card) to corpserv@integratedindia.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained in Step 1 (A) i.e. Login method for e-voting for Individual Shareholders holding securities in demat mode.
3. Alternatively shareholders / members may send a request to evoting@nsdl.co.in for procuring user ID and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI Circular dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants, Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for Members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for Attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow Camera and

use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013:

Item No.3: Appointment of Shri Manoj Kumar Jain (DIN 10690782) as a Chairman & Managing Director of the Company

Department of Fertilizers vide O.M.No.84/3/2017-HR (e-21879) dated 5th June 2024 communicated the appointment of Shri Manoj Kumar Jain (DIN 10690782), as Chairman & Manaing Director on the Board of Madras Fertilizers Limited for a period of five years from the date of assumption of charge of the post (07.06.2024) or until further orders whichever is earlier.

Accordingly, Shri Manoj Kumar Jain (DIN 10690782), was appointed as Chairman & Managing Director of the Company pursuant to Section 161 (3) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Board of Directors at their meeting held on August 14, 2024 with effect from June 7, 2024.

The Company has received all statutory disclosures / declarations from Shri Manoj Kumar Jain, including (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

The resolution seeks the approval of members for the appointment of Shri Manoj Kumar Jain as Chairman & Managing Director of the Company effective June 7, 2024 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall be liable to retire by rotation.

No director, key managerial personnel or their relatives except Shri Manoj Kumar Jain, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item No. 3.

The Board recommends the resolution set forth in item No. 3 for the approval of members by the way of Ordinary Resolution.

Profile of Shri Manoj Kumar Jain

DIN	10690782
Date of Birth	04.03.1971
Date of appointment/Change in terms of appointment	07.06.2024
Relationship with Directors/ KMP	NO
Shareholding in the Company	NO
Remuneration proposed to be paid	Per DPE Guidelines
Expertise in specific functional area	Oil & Gas Operation & Maintenance, Process Design & Engg. Process Safety, Commissioning & Project Management
Number of shares held in the Company as on March 31,2024	NIL
List of the Directorships held in other Listed Companies	NIL
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31,2024	-
Number of Board Meeting attended during the year 2023-2024	-

Item No.4: Appointment of Dr Tina Soni (DIN 07720240) as a Director of the Company

Department of Fertilizers vide Order No.95/1/2019-HR-PSU dated 4th April, 2024 communicated the appointment of Dr Tina Soni, (DIN 07720240) Joint Secretary, D/o Fertilizers, as a Part Time Government Nominee Director on the Board of Madras Fertilizers Limited effective 4th April 2024.

Dr Tina Soni (DIN 07720240) was appointed as Government Nominee Director pursuant to Section 161 (3) of the

Companies Act 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Board of Directors at their meeting held on May 28, 2024 with effect from 4th April 2024.

The Company has received all statutory disclosures / declarations from Dr Tina Soni, including (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

Profile of Dr Tina Soni

The resolution seeks the approval of members for the appointment of Dr Tina Soni as Government Nominee Director of the Company effective 4th April, 2024 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall be liable to retire by rotation.

No director, key managerial personnel or their relatives except Dr Tina Soni, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item No.4.

The Board recommends the resolution set forth in item No.4 for the approval of members by the way of ordinary resolution.

DIN	07720240
Date of Birth	21.09.1979
Date of appointment/Change in terms of appointment	04.04.2024
Relationship with Directors/KMP	NO
Shareholding in the Company	NO
Remuneration proposed to be paid	NIL
Expertise in specific functional area	Economic Analysis
Number of shares held in the Company as on March 31, 2024	NIL
List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31, 2024	-
Number of Board Meeting attended during the year 2023-2024	-

Item No.5: Ratification of remuneration paid to Cost Auditor for the year 2024-25

The company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board at its meeting held on 28.05.2024 on the recommendation of the Audit Committee, approved the appointment and remuneration of Rs.1.21.000/- plus tax as applicable and reimbursement of out of pocket expenses, to Mrs Aruna Prasad & Co, (Firm No.100883) to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2025.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2025 as set out in the resolution, for the services rendered / to be rendered by the Cost Auditor.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the notice.

By Order of the Board
For MADRAS FERTILIZERS LIMITED

Sd/-
MANOJ KUMAR JAIN
Chairman & Managing Director
(DIN – 10690782)

Place: Chennai
Date: August 14, 2024

DIRECTORS' REPORT

The Shareholders
Madras Fertilizers Limited

Your Directors have pleasure in presenting herewith the 58th Annual Report together with the Balance Sheet as at March 31, 2024 and the Statement of Profit & Loss for the year 2023-24.

SUMMARY OF FINANCIAL RESULTS

₹ Cr

Particulars	2023-24	2022-23
Turnover	2228.42	3447.09
Profit Before Interest, Depreciation, Exceptional items and Tax	144.36	336.44
Less: Interest	72.21	78.19
Less: Depreciation	10.29	9.59
Less: Exceptional items	49.99	Nil
Profit / (Loss) Before Tax	11.87	248.66
Provision for Tax	6.31	63.33
Profit / (Loss) After Tax	5.56	185.33
Other Comprehensive Income	91.79	33.00
Cash Profit / (Loss)	22.16	258.25

The overall sales of the Company are decreased by ₹ 1218.67 Cr around 35% (FY 2023-24 ₹ 2228.42 Cr as against the FY 2022-23 ₹ 3447.09 Cr) mainly due to lower production during May and June 2023 on account of Water shortage, Urea Reactor Liner leakage and flood during December 2023 due to Michang Cyclone and corresponding lower sales. The Company has made profit after tax of ₹ 5.56 Cr as compared to Rs. 185.33 Cr on account of lower production and sales and stock loss of Rs. 56.31 Cr due to flood during December 2023.

REVIVAL

The Company has submitted a Revival Proposal to Department of Fertilizers, Government of India, for its consideration.

DIVIDEND

The Company does not propose to declare any Dividend to shareholders during the fiscal 2023 on account of accumulated losses as on 31.03.2024.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at_www.madrasfert.co.in.

TRANSFER TO RESERVES

The Company has not transferred any amount to Reserve during the year.

SHARE CAPITAL

The is no change in the paid-up share capital of the Company. The Paid-up Equity Share Capital of the Company as on March 31,2024 is ₹ 162.14 Crores.

PLANT PERFORMANCE

- Plant has produced **432500 MT** of Neem Coated Urea with a capacity Utilisation of 88.9% and with a Specific Energy Consumption of 7.612 Gcal/MT.
- Monthly Urea specific energy consumption of 6.651 Gcal/MT in January 2024 is the ever best month energy since inception. (Previous best was 6.839 Gcal/MT in Dec 2021).
- Utility Boiler #2 Burner Gas conversion completed and commissioned with RLNG as fuel on Oct 23, 2023.
- Sale of Anhydrous Ammonia was commenced and sold 544.6 MT to vendors thru Road Tankers.
- Urea production was affected due to the following reasons:

i. Inadequate supply of Sewage water & Raw water by M/s CMWSSB between May 05, 2023 and May 26, 2023.

ii. Low load operation of Urea plant due to shut down of Urea Reactor B from May 28, 2023 till Jun 30, 2023 because of liner leak.

iii. Shut down of plants for Annual Turn Around activities & Statutory Inspection of Boilers between July 01, 2023 & Aug 10, 2023. During Annual Turn around the Reactor liner replacement job was taken up and completed.

iv. Shut down of Ammonia and Urea plants between Dec 04 and Dec 20, 2023 consequent to the Michaung Cyclone & severe flooding in Chennai, MFL plants. Urea production was resumed on Dec 21, 2023, after rectification of equipment damages caused by the cyclone and flooding.

v. Low load operation of Urea plant @ 60% between 22.03.24 & 28.03.24 due to shut down of 110 ata boiler because of steam header leak and to replace the leaky portion.

- At the close of March 31, 2024, 30 days were completed without any lost time accident covering 0.06 Million Man- hours.

MARKETING PERFORMANCE

Fertilizer Sales

- Sold 4,27,836 MTs of NC Urea, **which is 100% of the dispatched quantity by leaving -NIL- inventory at Field warehouses.**
- Point of sale (PoS) sale of NC Urea for the year is 4,24,096 MTs against a dispatch of 4,27,952 MTs which mean **99.09% of the product consumed** during the year itself.
- Our Market share of NC Urea is 21.28%, which is the **2nd highest supply** in the state of Tamilnadu and it is 6.57 % in MFL's marketing territory of South India. (Total consumption 2023-24: 65,13,220 MTs and CPLY : 65,91,866 MTs).
- **96% of the products delivered** to dealers directly from Railhead without moving to Warehouse.
- **26.26%** of products directly delivered to dealers on Ex-Railhead basis resulted a **saving of Rs 3.68 Crs** in transportation cost.
- 60,497 MTs of products delivered thru PGP by allowing Transport Rebate of Rs 4.38 Crs, when compared to latest escalated RTC rate of Rs 5.05 Crs, results **in saving of Rs 67.15 Lakhs** (15%) in Transportation cost.
- The Closing PoS inventory of V.NC Urea as on 31.03.2024 is 30,078 MTs which is **only 7.03 % of Invoiced quantity.**

Bio Pesticides & Organic Manures Sales :

- Sold 114.5 KL of Vijay Neem which is the **2nd best in last 10 years.**
- Achieved **an all-time high volume sale of 22,047 MTs of combined Organic products,** which is 26.22 % higher than the previous best of 17,466 MTs during 2021-22.
- Sold 10,740 MTs of Vijay Organic which is **the highest** since introduction.
- In addition to Organic Manure, Under "Swachh Bharat Mission", MFL continues to **Market City Compost**, a product from Municipality/Factory waste and sold **11307 MTs** which is 2nd best since introduction (12041 MTs during 2019-20).

MARKET DEVELOPMENT & AGRO-SERVICE PROGRAMMES:

MFL's Marketing personnel have contacted 23926 farmers during the year and continuously imparted knowledge to farmers on use of eco-friendly products for soil health, soil fertility, Soil vitality and balanced fertilization (Integrated Nutrient Management). Method demonstrations and Farmer Seminars were organized in coordination with State/Central Agricultural extension departments.

Under Corporate Social Responsibility towards farming community, during the year 2023-24, Marketing personnel collected 3748 numbers of soil samples, got analyzed and communicated to the farmers about the micro & macro nutrient recommendations of various crops.

In Pursuance to the Prime Minister's Mission on empowering the Farmers, DoF initiated to convert the existing village/ Block/ Taluk/ Sub-dist/ District level Fertilizers Retail Shops into **Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs) a One Stop Shop"** wherein all Agricultural Inputs like Quality Fertilizers, Seeds & Pesticides are made available & Services like Soil/Water/ Fertilizers testing, Custom hiring of Large farm equipment, Creating awareness on various Govt. schemes, Educating the farmers on improved farm technologies, weather updates, Crop Insurance etc., are rendered to farming community.

In line with DOF's initiative, MFL converted 2122 numbers of Retail Shops into **"PMKSK"** at Taluk & Block level during

Apr-Aug'2023. In addition, all the Wholesale/Retail shops allocated to MFL at village/ Block/ Taluk/ Sub-dist/ Dist level are being promoted as PMKSKs for the service of farmers.

DBT Implementation (Direct Benefit Transfer)

- In compliance with PAN India implementation of DBT Fertilizer, in order to sustain sales thru PoS machines, MFL is continuously educating the Wholesalers/Retailers and farmers on the importance of PoS sales.
- All the bills were generated in-time for immediate realization of subsidy amount. The subsidy bills generated during the year is **Rs 2026.93 Crs**

VIGILANCE

Vigilance Department is headed by Chief Vigilance Officer (CVO). The CVO is assisted by a team of Officers drawn from various functional departments and placed in Corporate Office at Chennai.

Regular preventive vigilance activities such as Scrutinise, Surprise checks, Vigilance clearance for administrative decisions, Periodic Vigilance Reports like preparation of Agreed List of Officers, List of Officers of Doubtful Integrity are submitted to Department of Fertilizers regularly. The working of vigilance wing of MFL is based on a proactive, participative and focused approach.

As part of Preventive Vigilance, efforts are made to keep a watch on the various activities through regular inspections and surprise checks. Systemic improvements and corrective actions are suggested wherever necessary. Vigilance Department has focused on spreading awareness on rules / regulations and procedures. Efforts are made to ensure speedy Redressal of the complaints. Tender documents have been made more objective. Transparency in existing system of dealing with the Dealers/ Vendors has been enhanced by adopting e-procurement and e-payment. Vigilance Department has also shepherded the organization in an era of e-clearances for issuing NOC for various purposes to the employees superannuating and visits abroad.

MFL observed Vigilance Awareness Week 2023 (VAW – 2023) **"Say no to Corruption; commit to the Nation"** from October 30, 2023 to November 05, 2023.

Banners and Posters related to Vigilance Awareness were displayed at various vantage points in the company premises and all the Regional Offices situated all over South India highlighting the theme of Vigilance Awareness Week. Scrolling Message of VAW 2023 Theme was displayed in MFL's Website. A link for taking e-integrity pledge on CVC website was provided on MFL website for all the stakeholders.

On Oct 30, 2023, Integrity Pledge was administered to all the employees at 11:00 hours by CVO at the Company's Administrative Building and the other employees from Plant and Regional offices took pledge at their respective work spots. A link was also provided in the Company's web site, to facilitate Citizens and Corporates to access the CVC website for taking e-Pledge.

On 19/10/2023, Workshop on "Ethics & Governance" was conducted by Shri Dr. K D Balaji, Assistant Professor, SRM Institute of Science and Technology at MFL Training Centre in the forenoon session as part of VAW 2023 activities. Around 50 employees, trainees etc., have actively participated in the workshop.

On 01/11/2023, Workshop on 'Cyber Hygiene and Security" has been conducted by Shri M Jayakumar, Sr. Manager-IT, Chennai Petroleum Corporation Limited (CPCL) at MFL Training Centre in the forenoon session as part of VAW 2023 activities. Around 40 employees, trainees etc., have actively participated.

To commemorate the Vigilance Awareness Week 2023, an outreach campaign to reach every employee of the Organisation in the form of a Badges and key-chains embossed with Vigilance Awareness Theme were distributed. VAW 2023 Theme was printed in Employees Payslip for the Month of October 2023.

Essay Writing Competitions in Tamil, Hindi & English and Quiz competitions were held for the Employees at MFL Training Centre. Similarly, Essay Writing and Quiz Competitions were conducted at various Schools and Colleges located at Regional Offices. Also, Essay Writing and Drawing Competitions were conducted at nearby Schools at MFL Head Office.

Dealers Meet: Shri Mallika Arjun V Silli, DM, Chittoor organised the Dealers Meet at S S Paradise Hotel, Anantapur on 31/10/2023. Smt U Umamaheswaramma, JDA / DAO, Anantapuram, Shri S Siva Gangadhar Reddy, Inspector of

Police, Anti-Corruption Bureau, Anantapuram, Shri M Ravi, ADA, Anantapuram and Shri J Vasu Prakash, AO, Vigilance & Enforcement Dept, Shri R Bala Naik, AO Technical, JDA Office, Anantapur Shri B Sankarlal Naik, AO, DRC/FTC, Anantapur, Smt S Geetha, DM, AP Markfed, Shri Sathya Sai Dist. and Smt P M Penneswari, DM AP Markfed, Anantapur Dist. participated in the program. JDA, Anantapur explained in detail about FCO 1985 and also to sell all the fertilizers in MRP only and to maintain all the records and stock registers as advised by Agricultural Department. Inspector of Police advised that we should collectively participate in the prevention of corruption and to create public awareness on causes / threat caused by corruption. AO, Vigilance said that VAW is celebrated every year to create an alert among general public and business people. He also explained that we should be always alert while doing business and to maintain documents / registers in perfect manner.

Grama Sabha: Shri N Purushothama Reddy, DM, Bellary organised the Awareness Gram Sabhas program at Grama Panchayat Office, Dammur on 04/11/2023 in which around 150 numbers participated in the program. Shri G Ainatha Reddy, Vice President of Karnataka Agri Inputs Marketer Association, Sri Sangamesh, Police Inspector, Karnataka Lokayukta, Smt Laxmi Manjunath, President, Grama Panchayat, Shri K Mallikarjuna, JDA, Bellary, Sri Gopala Rao, Vice President, Grama Panchayat, Shri Sugreevappa, President, VSSN, Dammuru, All Members and Office Staff of Grama Panchayat, Shri D S Desh Pande, Regional Manager, MFL, Bellary and all the field staff of RO Bellary participated in the program. Shri Ainathareddy, Chief Guest requested the audience to help in curtailing corruption in all Government and Private bodies. Shri Sangamesh, Police Inspector, gave guest lecture on Vigilance Awareness and advised all to be vigilant and to help in eradicating the corruption practices. He administered an oath on Vigilance Awareness to all the participants. Shri N Mallikarjun, PDO, Grama Panchayat informed that Dammuru Gram Panchayat has won GANDHI GRAM PURASKAR award at State level and appreciated MFL for selecting the same and organizing the program.

Also, a Rangoli competition was organized by Regional Office Bellary at Grama Panchayat Office, Dammur in which around 25 numbers participated in the program on 04/11/2023. Further, a procession by school students and teachers by displaying messages / placards on anti-corruption was also organized by Regional Office Bellary at Grama Panchayat Office, Dammur on 04/11/2023.

An In-house journal “Harvest” has been published by M&D department during the Month of November 2023 covering VAW 2023 activities undertaken at all Regional Offices.

Integrity Pact:

Presently, Shri Aditya Kumar Mittal, IRSE (Retd) and Shri Ashwani Kumar Mehta, IRS (Retd.) are the IEMs. Half Yearly Structured Meeting and Quarterly Review Meetings with Independent External Monitors (IEMs) was held thru Video Conference.

HUMAN RELATIONS AND INDUSTRIAL RELATIONS

MANPOWER

The total strength of MFL as on 31.03.2024 is 435 against 469 as on 31.03.2023.

TRAINING

434 employee and 81 contract workers have been trained during the year 2023-24 on Technical and Life Skills.

INDUSTRIAL RELATIONS

During the year, overall Industrial Relation situation in the Company has been normal and cordial.

SC / ST EMPLOYEES WELFARE ACTIVITIES

- The Presidential Directives and various guidelines issued by the Government of India from time to time relating to the welfare of SC / ST employees are being scrupulously followed.
- ₹ 50,000 /- each was granted to MF SC/ ST Employees Welfare Association and MF Dr.Ambedkar Employees Welfare Association for celebrating Dr.Ambedkar Jayanthi.
- To handle the grievance of SC/ST employees, the following are in existence
- SC/ST Cell
- Internal Grievance Committee (IGC) for SC and ST separately
- A Liaison Officer for SC/ST employees

OBC EMPLOYEES WELFARE ACTIVITIES

- ₹ 50,000/- was granted for celebrating Birthday of Thanthai Periyar E V Ramasamy..
- To handle the grievance of OBC employees, the following are in existence
- OBC Cell
- Internal Grievance Committee (IGC) for OBC employees
- A Liaison Officer for OBC employees

OFFICIAL LANUAGE IMPLEMENTATION

The target fixed by Department of Official Language for letter correspondence in Hindi and other implementation programs are being taken care of. Hindi Fortnight was celebrated at Head Office and Regional Offices. Various competitions were organized through online and prizes were distributed.

INVESTOR RELATIONS CELL (IRC)

IRC is functioning in the Company under the Company Secretary to create awareness of the Company's strength and ensuring timely communication to shareholders.

STATUTORY INFORMATION

Annual Evaluation of Board

MFL being a Government Company, all appointments in the Board are made by the Government of India, Ministry of Chemicals and Fertilizers, Department of Fertilizers. The performance of Directors are evaluated by the Ministry of Chemicals & Fertilizers, Department of Fertilizers, Government of India. As per Government of India, Ministry of Corporate Affairs notification dated 5th June 2015, clause (e) and (p) of sub-section 3 of Section 134 of Companies Act 2013 relating to appointment, remuneration and Annual evaluation of Board on its performance are not applicable to MFL. However, the company is evaluating the performance of its Directors as per the guidelines issued by SEBI.

Meeting of the Board

During the year 2023-24, 5 meetings of the Board of Directors were convened and held. The details of the meetings of the Board of Directors are given in the report on Corporate Governance, which is part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197 (12) of the Companies Act 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is stated that no employee of your Company was in receipt of remuneration in excess of the amount mentioned in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year as required to be disclosed in pursuant to Rule 5 (1) is provided in Annexure A.

Directors and Key Managerial Personnel

1. The Government of India as per Government Order notification No.84/3/2017-HR-I (e-21879) dated June 5, 2024 has appointed Shri Manoj Kumar Jain (DIN 10690782) as Chairman & Managing Director for a period of five years with effect from the date of Assumption (07.06.2024) of charge of the Post or until further orders, whichever is earlier. The Board has recommended the Members to appoint him as the Chairman & Managing Director additional charge of the Company in the 58th Annual General Meeting of the Company.
2. Dr Tina Soni (DIN 07720240), who was appointed as a Director in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification F.No.95/1/2019-HR-PSU with effect from April 4, 2024, until further orders. The Board has recommended the Members to appoint her as the Director of the Company in the 58th Annual General Meeting of the Company.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state that

a. in the preparation of the annual accounts for

the year ended March 31, 2024, the applicable accounting standards (Ind AS) had been followed along with proper explanation relating to material departures.

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

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

d. the directors have prepared the annual accounts on a going concern basis.

e. the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

Prevention of Sexual Harassment

Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Report on Corporate Governance report.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and outgo

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required in pursuant to provisions of Section 134 of Companies Act 2013 are given in the **Annexure – I** forming part of this report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required under Listing Agreement is enclosed as **Annexure - II** forming part of this report.

Corporate Governance

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Board lays emphasis on transparency and accountability for the benefit of all stakeholders of the Company. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Business Responsibility Report have been enclosed as **Annexure – III and IV** respectively forming part of the report.

Code of Conduct

Declaration affirming compliance with the code of conduct pursuant to the provisions of Regulation 17(5) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is enclosed as **Annexure - V** forming part of this report.

Declaration by Independent Directors:

The Independent Directors have submitted their declaration to the Board that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations so as to qualify as an Independent Director of the Company

Annual Return

As provided under Section 92 (3) of the Act, the form MGT-7 Annual Return is available in our website www.madrasfert.co.in.

Auditors

a. The Comptroller & Auditor General of India shall appoint the Statutory Auditors of the Company for the year 2024-25.

b. Mrs. Aruna Prasad, Cost Accountant, has been re-appointed as Cost Auditor of the Company for the year 2024-25.

c. In terms of the provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, a Secretarial Report in the prescribed format, obtained from a Company Secretary in practice, is required to be annexed to the Board's Report. In view thereof, your Board at its 334th meeting held on May may 28th, 2024 has appointed M/s. V Esaki & Associates (M.No.30353), Practicing Company Secretary, as the Secretarial Auditor of your Company. The Secretarial Auditors' Report **(Form No.MR-3)** for the year 2023-24 is enclosed as **Annexure – VI & VIA,** forming part of this report. Further, in terms of SEBI LODR Regulations, Secretarial Compliance Report has also been obtained from M/s. Esaki & Associates for the year 2023-24.

Committees

The details pertaining to the composition of (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Stakeholders Relationship Committee are included in the Corporate Governance Report, which is a part of this report. The details of Corporate Social Responsibility Committee given in CSR Report attached to this report.

Public Deposit

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Contract or arrangement with Related Parties

The transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business. The disclosure in **Form No.AOC-2** for the transactions with related parties during the period under review is enclosed as **Annexure - VII** of the report. As none of the transaction is material in nature, hence no resolution is placed before the shareholder for their approval.

The Company's Policy on Related Party Transactions is available on the Company's website at www.madrasfert.co.in

Maintenance of Cost records and accounts:

The Company, in terms of the provisions of Section 148 (1) of the Companies Act, 2013, is required to maintain cost records. Accordingly, the Company had maintained Cost Accounts and Records for the year ended March 31, 2024.

Corporate Social Responsibility (CSR)

As per Section 135 of Companies Act, 2013, the CSR Committee of the Board consisting 3 or more directors out of which one director shall be an independent Director. The Company having 4 members of CSR Committee and the Chairman of the Committee is an Independent Director.

The Company has carried out the CSR activities during the financial year 2023-24. The details are contained in the Annual Report on CSR activities is enclosed as **Annexure – VIII** forming part of this report.

Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of financial year March 31, 2024 and the date of the report.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There were no significant awards that have been passed by any Court or Judicial Authority against the company during the Financial Year 2023-24 impacting the going concern status and Company's operations in future.

Internal financial control systems and their adequacy:

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024.

Auditor's Report and Secretarial Audit Report

The Statutory Auditor's Report and the Secretarial Auditor's Report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

No frauds is reported by auditors under Section 143(12) of the Act other than those reportable to the Central Government.

Risk management

The Company has risk policy and implemented the risk management policy in true spirit including identification of risk elements. The boards' opinion, may threaten the company existence, if any, provided in Management Discussion and Analysis in this report.

The Company has developed and implemented various policy, procedures and practice to mitigate the risk and threats and to achieve the objects of the Company. Some of the important policies are

1. Prompt convening of Risk Management Committee
2. Analysis of Business Continuity Plan by the Head of Departments on need basis
3. Upholding Corporate Governance Practices

Certification

As required by Regulation 17(8) of the SEBI Regulation, a Certificate on the Financial Statements and Cash Flow Statement of the Company for the year ended March 31, 2024 duly signed by the Chairman & Managing Director and CFO was submitted to the Board of Directors at their 334th meeting held on 28th May 2024 is enclosed as **Annexure – IX** forming part of this report.

Certificate from Company Secretary in Practice pursuant to Clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015:

The Certificate dated 09.08.2024 received from M/s. V Esaki & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority is enclosed as **Annexure X.**

Vigil Mechanism

MFL is having vigil mechanism for directors and employees to report their concerns. The Directors and employees can approach Chairman Audit Committee of the Board directly and report their concern in appropriate case. The vigil mechanism and whistle blower policy is published in the website of the Company www.madrasfert.co.in.

Prevention of Insider Trading

No instances of insider trading have been reported on MFL shares till date. None of the directors and key managerial personnel is holding any shares in MFL. A code of conduct of prevention of insider trading and code for corporate disclosure is published in the website of the Company www.madrasfert.co.in.

Appreciation

Your Directors wholeheartedly place on record their appreciation for the continued and unstinted support of Department of Fertilizers, Government of India, Government of Tamilnadu, NICO, Financial Institutions, Banks, Depositors and all stakeholders during the year. It is most appropriate to mention that the Directors convey their gratitude to the Department of Fertilizers for settlement of subsidy bills on priority basis and to the dealers and farmers for their sustained support to Vijay products. Last but not the least that your Directors also place on record their appreciation for the dedication, commitment and sincere services rendered by the employees for sustained improvements.

By order of the Board
For Madras Fertilizers Limited

Sd/-

Manoj Kumar Jain
Chairman & Managing Director
(DIN : 10690782)

Chennai
Date: August 14, 2024

Annexure A

Particulars of Remuneration of Directors / Key Managerial Personnel / Employees (Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

a. The ratio of the remuneration of directors and KMP to the median remuneration of the employees of the Company for the Financial Year- 2023-24

(in lacs)

S No.	Particulars	Median Remuneration (₹)	Remuneration	Median Remuneration in %
1	Director	23.63	30.28	1.28 Times
2	KMP	23.63	30.83	1.30 Times

b. The Percentage increase in remuneration of Director, Chief Executive Offcer, Manager, Chief Financial Officer, Company Secretary in the Financial Year- 2023-24

(in lacs)

S No	Name	Designation	2022-23	2023-24	% of increase of salary
1.	U Saravanan *	Chairman and Managing Director	60.73	47.58	-21.65
2.	Harsh Malhotra **	Director (Technical)	42.89	12.98	-69.74
3.	Ram Ganesh R ***	Company Secretary	13.98	16.04	14.74

* Resigned on 16.06.2023. ** Superannuated on 30.04.2023. *** Resigned on 12.12.2023.

c. The percentage increase / (decrease) in the median remuneration of employees in the Financial Year 2023-24

(In lacs)

Particulars	2022-23 (Rs.)	2023-24 (₹)	Percentage Increase of Median salary
Total Salary	22.48	23.63	5.12

d. The number of permanent employees on the rolls of the Company

	2022-23	2023-24
No. of Employees	469	435

Annnexure – I

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988
FORM A
Disclosure of Particulars with respect to Conservation of Energy.

		Financial Year	Previous Year
		2023-24	**2022-23**
A. Power and fuel consumption			
1. Electricity			
(a) Purchased			
Unit (lakhs) *		954.164	1104.204
Total amount (₹ in lakhs)		8643.823	9160.00
Rate / unit (₹)		9.06	8.30
* Includes power consumed at TTP, Kodungaiyur			
(b) Own generation			
(i) Through diesel generator			
Units (lakhs)		0.000	0.000
Diesel consumption (KL)		0.000	0.000
Units per ltr. of diesel oil		0.000	0.000
Cost/unit (₹)		0.00	0.00
2. Coal		Not applicable	Not applicable
3. RLNG, Furnace oil & LSHS			
Furnace Oil Quantity (tonnes)		12865	31886
Total cost (₹ in lakhs)		7485.000	15015.253
Average rate (₹ per tonne)		58179.78	47090.42
RLNG Quantity (MMBTU)		12836337	14510308
Total cost (₹ in lakhs)		152464.820	246268.33
Average rate (₹ per MMBTU)		1187.76	1697.20
B. Consumption per unit of production			
	FICC Norm	**2023-24**	**2022-23**
(a) Product : Ammonia			
Electricity (KWH) *	115.000	112.899	113.572
Fuel oil + LSHS (MT)	0.2341	0.0266	0.0496
RLNG(MMSCM)		0.00017	0.00113
* includes own generation			
(b) Product: Urea			
Electricity (KWH)	202.000	151.442	146.280
Fuel oil + LSHS (MT)	0.1309	0.0164	0.0323
RLNG(MMSCM)		0.00011	0.0001
(c) Product: NPK			

Electricity (KWH)	43.410	0.000	71.187
Fuel oil + LSHS (MT)	0.0069	0.0000	0.0088

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT

1	Specific areas in which R&D carried out by the Company	Nil
2	Benefits derived as a result of the above R&D	
3	Future plan of action	
4	Expenditure on R&D Capital Recurring (in lacs) Total (in lacs) Total R&D expenditure as a percentage of total turnover	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1	Efforts in brief made towards technology absorption, adaptation and innovation.	Nil
2	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	
3	Details of imported technology (imported during the last 5 yrs reckoned from the beginning of the financial year	

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2022-23
1. Activities relating to export	Nil
2. Total Foreign Exchange used	(₹ Cr)
a. Raw Materials	Nil
b. Components & Spare Parts	3.98
c. Books & Periodicals / Travel	-

Total	3.98
	---
3. Total Foreign Exchange earned	Nil

ANNEXURE – II

MANAGEMENT DISCUSSIONS AND ANALYSIS

Business

Madras Fertilizers Limited (MFL) incorporated in the year 1966 as a PSU under the administrative control of the Department of Fertilizers (DOF), Ministry of Chemicals & Fertilizers, and Government of India.

MFL is engaged in the manufacture of Ammonia, Urea and Complex Fertilizers at Manali, Chennai-68. MFL is also engaged in manufacturing Bio-fertilizers and marketing of eco-friendly Organic fertilizers and Neem Pesticides under the brand name **"VIJAY".**

Overview of the Economy

The government has continued its focus on augmenting farmer income through various steps. Increased allocation across the schemes to drive irrigation facilities, improve agricultural markets, augment the allied sectors supporting income, setting-up of FPOs, crop insurance schemes and income supplementation schemes are major positive. With these steps, a positive effect on fertiliser off-take is expected.

Industry Structure and Development

Fertilizer industry is one of the most industrial sectors that contributes mainly to achieve food security and sustainable agricultural development.

Indian fertilizer sector witnessed a sustained high growth in consumption. The Government has taken a number of initiatives for promoting balanced fertilization to accelerate agricultural growth.

Besides this, there have been efforts on the technological development in production processes that keep pace with the latest global production methods and environmental requirements.

Improvement in demand due to a good monsoon which resulted in higher sowing aided the increase in production. Overall Fertilizers Sales too have increased buoyed by a good monsoon and harvest season. As overall cost of production of urea produced using RLNG has seen decrease in the working capital intensity of the fertilizer manufacturers and it will also act as a relief for the fiscal spending of the government while disbursing the urea subsidy.

Agricultural Situations prevailed in Southern States:

Tamil Nadu received South-West Monsoon rainfall of 354.0 mm which was 8% excess than normal of 328.4 mm but 26% deficit over CPLY of 477.4 mm. North East Monsoon rainfall of 457.0 mm was at par with normal of 441.2 mm and CPLY of 444.2 mm. Even though, Southern districts received downpour during Dec '23, due to uneven distribution, flooding and water logging yield was affected for both Paddy and Banana. Mettur is the major reservoir in Tamil Nadu which caters around 16 lakh acres. Despite water release on the customary date of 12th June, due to poor rainfall in the catchment area, it was stopped in between resulting in marginal reduction of Kuruvai Paddy cropping area against CPLY. Produce price was good for Maize (Rs.2000-2400/Q) and Paddy (Rs.2500-3000/Q). As Paddy fetched more remunerative price, its acreage increased in delta districts during summer replacing Cotton. Sugarcane price is Rs.2950/T including TN Govt special incentive of Rs.195/T. Yield for Paddy and Millets are normall @ 1400 to 1700 Kgs per acre and 300 Kgs per acre for Pulses. Total food grain production in TN exceeded 120 lakh tonnes. MFL has taken 21.28% of share in Urea. No demand for any kind of fertilizers throughout the year due to abundant supply made by the manufacturers. Short supply and steep increase in MRP of Muriate of Potash had no impact on crop yield and production.

Puducherry during the year 2023-24, received 688.1 mm against the normal rainfall of 479.5 mm which is 39.3% more than the normal during Kharif. 787.1 mm rainfall against the normal of 912.mm during Rabi which is 13% less than normal. The Paddy coverage in Puducherry district was normal and good yields reported in both Kharif and Rabi crops. Sugarcane

acreage was normal and was cultivated in 4500 acres in Puducherry district. In Karaikkal dist, the Cotton crop around 3000 acres was totally devastated by heavy rains in May '23 due to which farmers suffered huge losses. The first crop of Paddy was not cultivated in around 400-500 acres due to non-release of water for Karaikkal farmers from Mettur dam. Yield was reduced as Rabi Paddy (4500 Acres) cultivation was taken up as rainfed crop by direct sowing. Farmers preferred Paddy crop due to good commodity price ranging between Rs.2000/- to 2250/- per bag of 77 Kgs. Apart from MFL, SPIC is the major supplier for Urea. MFL has taken 73.46% of share in Urea. MFL PoS sales is 8573.13 MT against the supply of 8657.55 MT which is 99% of supplied volume.

Telangana received 920.40 mm rainfall against the normal of 877 mm leading to normal seasonal conditions. South West Monsoon is crucial for the Agriculture sector in Telangana State as it amounts to 86% of annual rainfall. During Kharif, received 861.10 mm rainfall against the normal of 738.60 mm which is 16.57% excess. North East Monsoon contributes to only 14% of annual rainfall. The normal rainfall of NE Monsoon period from October to December is 113.20 mm and the actual rainfall is 52.70 mm with a deviation of -53.45%. Overall, rainfall in the year is deficit by 1.5% only. Water level in major reservoirs is 287.06 TMC as on 31.03.2024 against CPLY storage of 432.13 TMC. During Kharif, major crops like Paddy, Maize, Jowar, Cotton, Chillies, Pulses, Oil Seeds and Vegetables were sown in an area of 126.20 lakh acres against the normal of 124.28 lakh acres. During Rabi, Paddy, Maize, Groundnut, Pulses and other crops sown in an area of 67.55 lakh acres against the normal of 54.93 lakh acres. During the year 21,08,554.080 MT of Urea, 15,04,448.440 MT of NPKs and 98,491.750 MT of MOP were sold in the State. Urea and NPKs sales increased by 1,51,683.755 MT when compared to CPLY whereas DAP sales was decreased by 64,426.850 MT because of short supplies of DAP. All products except DAP were surplus during the year. Paddy is the most preferred crop by farmers because of produce value of Rs.2300/Quintal. Area under Cotton crop was reduced due to poor produce price.

In **Andhra Pradesh,** the major agriculture depends on South-West Monsoon which enters the state in June and contributes 76% of annual rainfall. The North East Monsoon generally enters the state in the month of October. It contributes almost 24% of State's rainfall and mostly covers the districts of Nellore, Prakasam, Chittoor, Kadapa and some parts of Anantapur. Overall average rainfall was received in Andhra Pradesh State from 01.06.2023 to 20.03.2024 and recorded as 722.6 mm against the Normal of 883.4 mm showing 18.2% deficit. All major reservoirs were holding 205.16 TMC as on 20.03.2024. By this time in last year, the levels stood at 376.90 TMC. The total area sown in the State is 16.76 lakhs ha (75%) as against the normal area of 22.38 lakh ha. The MSP for Paddy is Rs.2183/quintal, Jowar - Rs.3180/quintal, Maize - Rs.2090/quintal, Urad - Rs.6950/quintal, Groundnut - Rs.6377/quintal, Sunflower -Rs.6760/quintal, Cotton (long staple) - Rs.7020/quintal. The minimum support price increased reasonably as compared to last year. Urea demand was observed in Oct & Nov '23 months, but the overall supply was more than the demand.

Karnataka State received a total rainfall of 881 mm, which is 25% less than normal of 1185 mm and 40% less than CPLY of 1474 mm. By anticipating normal rain, it was programmed to cover 82.35 lakh ha, 25.38 lakh ha and 6.54 lakh ha of agricultural crop during Kharif, Rabi and Summer seasons respectively, totaling 114.27 lakh hectares. However only 98.22 lakh hectares were covered. According to joint survey report submitted to Govt of India, 46.11 lakh hectares of agricultural crops were damaged due to drought during 2023-24. The water level in all reservoirs reached near dead storage and as against full capacity of 537.00 TMC, the available water was only 154.54 TMC as on 31.03.2024. Due to season failure, the produce price was above normal. The Coffee price (Rs.16000 per 50 Kg of Arabica parchment) was very good during the year. The availability of all fertilizer grades was adequate during the year and the prices were relatively steady. The 20-20-0-13 supply was in glut state. The overall fertilizer consumption declined to 42.00 lakhs MT against CPLY of 47 lakhs MT due to season failure. The significance of fertilizer consumption is that the MOP consumption is coming down year after year, whereas other grades are slightly going up.

In **Kerala,** the state received 2120.450 mm rainfall against the normal of 2948.600 mm which is 28% less than the normal. All the reservoirs including Malampuzha were reduced to minimum water levels and water was released for agricultural purpose only from 20th of Dec '23 to 15th of Jan '24. Hot and dry climate during Rabi damaged many crops and adversely affected

the yields of Banana, Paddy, Pineapple and Vegetables. No shortage of Urea and other Fertilizers were observed in any one of the districts during the season. Produce price of Rubber slightly improved and now is fetching Rs.180/- per Kg on an average.

STRENGTH, WEAKNESS, OPPORTUNITIES & THREATS

Strengths

MFL's strength is its Highly skilled manpower, its flagship product Brand viz., Vijay and its dedicated far and wide reach of marketing network throughout South India are its strength. It has its presence in the market over 5 decades and receive continuous support from the GoI. It has already converted its feed stock from Naptha to RLNG which is being supplied by M/s IOC located at the close proximity of MFL.

Weaknesses

Agro-climatic condition has a large effect on the performance of the Company. NPK raw materials which are imported are subject to severe volatility in terms of its availability and affordable price. Variation in the foreign currency exchange rates will also affect the profitability of the Company.

Opportunities

There is a compelling need for alternate fertilizers which will have lesser wastage and reduced fertilizer usage while keeping the same or more yield. This opens up for new investment with better return while ensuring food security.

Business diversification like Trading of fertilizer products will improve the bottom line of the company.

Threats

High volatility in the prices of raw material of NPK resulting in an adverse impact on production of NPK and marketing plans which eventually affects the bottom line of the company.

Outlook

The outlook for the fertilizer sector is positive on expectations of good monsoon. The underlying macros for the Indian fertilizer industry look promising. With surplus reservoir levels, forecasts for a good monsoon season, demand for the procurement of fertilizers seems also promising.

Risks and Area of Concern

The company face low operating margin due to working capital limitation for NPK production. But, the company ensured uninterrupted supply of vital plant nutrients besides ensuring safety of the plants and personnel including contract labor.

Fertilizer Sector:

(Lac MT)

PRODUCT	UREA		NPK	
	2022-23	2023-24	2022-23	2023-24
Sales in MFL Marketing Territory	65.91	65.13	50.64	54.75
MFL Sales	5.29	4.27	0.075	-

For Complex fertilizers, NBS is applicable from 1.4.2010 where the subsidy is being fixed by Government of India and the MRP is allowed to be fixed by manufacturers based on market dynamics. Due to fluctuations' in international prices of raw-materials during the year 2023-24, the subsidy for NPK 17-17-17 was decreased from Rs 32063/MT and fixed at Rs 22683/ MT in Kharif & Rs 11937/MT in Rabi. Similarly for NPK 20-20-0, the Subsidy was reduced from Rs 32991/MT and fixed at Rs 23504/MT in Kharif & Rs 13568/MT in Rabi'2023-24. Overall, the average subsidy extended for NPK Complexes 17-17-17 & 20-20-0 during the year 2023-24 was reduced by 51.17% and 43.77% respectively against previous year.

The consumption of UREA has marginally decreased by 1.19% over CPLY due to unfavorable agricultural situation in Karnataka and NP/NPK/NPKS (Other than DAP) consumption has increased by 7.50% over CPLY in MFL's territory due to surplus availability.

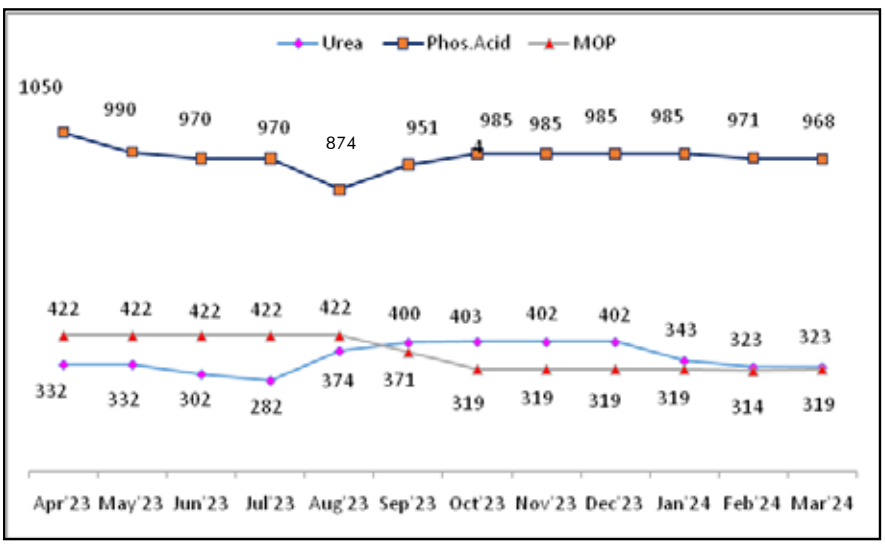
- MFL maintained Rail : Road ratio of 86:14 for Urea movement for 2nd consecutive year against the DoF norms of 80:20, which is the best in last 13 years.
- For the 5th Consecutive year since 2019-20, MFL products were marketed without any additional rebates., thereby saved a huge financial outgo on marketing costs
- No credit period/Open credit offered by MFL during the financial year, whereas Competitors offered several discounts/rebates and open credit facilities.
- For the 6th consecutive year, achieved 100 % RTGS/online payments for all the sales transactions.

Global Scenario :

During 2023-24, the International FoB Prices of Urea were in continuous fluctuating trend unlike decreasing trend observed during 2022-23. The Urea price that was at USD 332 PMT during Apr'23 fluctuated between USD 332-400 PMT during Kharif'2023 and touched a high of USD 403 PMT by Oct'23. On reaching USD 400 PMT during Sep'2023, the price was steady at USD 402/403 PMT between Oct-Dec' 2023. Afterwards, there was a continuous fall in Prices during 4th Quarter 2023-24. Urea Price of USD 402 PMT during Dec'2023 fell to USD 343 PMT by Jan' 2024 and was further down by USD 323 PMT during Feb & Mar'2024. Overall there was a marginal decrease of 3.87% in Prices of Urea by Mar'2024 when compared to Apr'2023. The Prices during the previous year was ranged between USD 596-332 PMT.

Phosphoric acid CFR price was again on declining trend during 2023-24. It was at USD 1050 PMT during Apr' 2023 reduced to USD 990 PMT in May and further to USD 970 PMT in Jun & Jul'2023. The Price touched it's lowest of 2023-24 during Aug'2023 at USD 874 PMT. There was slight increase in Price at USD 951 PMT in Sep' 2023 and it was stabilized at USD 985 PMT between Oct'2023 to Jan'2024. Again it declined to USD 971 PMT during Feb'2024 and finally stabilized at USD 968 PMT during Mar 24. Overall there was a reduction of 7.81% in Prices of Phosphoric acid when compared to Apr'2023. The Prices during previous year was ranged between USD 1530-1050 PMT.

MoP CFR Price was on reducing trend during 2023-24 unlike a uniform price trend observed in 2022-23. It was stably priced at USD 422 PMT during Apr-Aug'2023 and slightly reduced to USD 371 PMT in Sep'2023. The Price further decreased and stabilized at USD 319 PMT during Oct'2023 to Apr'2024. The Price has touched at a low of USD 314 PMT in Feb'2024. The CFR Price was stable at USD 590 PMT for the entire year 2022-23, and no fluctuations were observed.



These changes reflect the evolving dynamics in the global fertilizer market as observed.

Production, Imports and Consumption of Major Fertilizers (All India Basis) :

In the landscape of India's Agricultural and Fertilizer sectors, The Fiscal Year 2023-24 stands out as a beacon of success of strategies implemented by Ministry of Fertilizers, adorned with remarkable achievements and significant milestones. The nation has witnessed a remarkable surge in both production and sales of key Fertilizers, propelling the total production to an impressive 45.2 million tons.

Leading this charge is Urea, spearheading the fertiliser production with a monumental output of 31.4 million tons. Closely trailing behind are the essential NPKs, contributing 9.5 million tons, and DAP with a notable contribution of 4.3 million tons. This collective accomplishment underscores India's unwavering commitment to bolstering its agricultural infrastructure and ensuring food security for its populace.

The figures of production, imports and consumption of major fertilizers viz. Urea, complexes in India for the years 2022-23 and 2023-24 are given below:

[Lakh MT]

PRODUCT	UREA		DAP		NP/NPK (Other than DAP)		MOP *	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
PRODUCTION	285.0	314.1	43.5	42.9	92.9	95.5	-	-
IMPORTS	75.8	70.4	65.8	55.7	27.5	22.2	18.7	28.7
CONSUMPTION	357.3	357.8	105.3	108.1	100.7	110.7	16.3*	16.4*

* = For direct application only, Excludes supply to NPK/Complex fertilizers units.

With a growing population and increasing demands on agricultural productivity, these achievements signal a promising trajectory for India's agricultural future. As India continues to strive for self-sufficiency and resilience in its agricultural sector, these accomplishments serve as a sign of inspiration for the nation's journey towards prosperity and food security.

All India Demand Forecast For Fertilizer Nutrients for the Periods 2023-24 to 2025-26

[Lakh MT]

PERIOD	N	P	K	TOTAL	RATIO (NPK)
2023-24 (Estd)*	204.6	83.1	18.8	306.5	10.9:4.4:1
2024-25 (Forecast)	205.0	87.7	20.3	313.0	10.1:4.3:1
2025-26 (Forecast)	208.8	89.2	21.4	319.4	9.8:4.2:1

* = DBT Pos sale.

All India Product-Wise Demand Forecast For 2023-24 To 2025-26

[Lakh MT]

PERIOD	UREA	DAP	SSP	MOP	COMPLEX FERTILIZERS
2023-24 (Estd)*	357.8	108.1	45.4	16.4	110.7
2024-25 (Forecast)	357.6	113.5	48.8	17.7	126.0
2025-26 (Forecast)	362.0	115.5	50.2	18.9	127.6

* = DBT Pos sale.

The Demand forecast for nutrients and corresponding fertilizers are based on anticipating favorable onset of monsoon, availability of irrigation, production, imports, cropping pattern etc. And it is based on existing product nutrient ratio also. However, with Nutrient Based subsidy scheme and programs like soil health management and promotion of balanced fertilizer nutrients application, the demand for complex fertilizers will get rationalized in the coming years.

Nutrient Based Subsidy (NBS) for Phosphatic & Potassic Fertilizers

The Government of India introduced the Nutrient Based Subsidy Phase-I with effect from 1.4.2010. This scheme is applicable for DAP, MOP, MAP, SSP, TSP and for other twenty grades of Complex fertilizers.

Under NBS Scheme, Subsidy for the product 'Potash Derived from Molasses' (PDM-0:0:14.5:0) was enhanced to Rs 2304/ MT from Rs 1467/- to Manufacturers effective Apr'2023. Any fortified fertilizers with secondary & micro-nutrients like Boron & Zinc will continue to be eligible for additional per MT subsidy of Rs 300/- & Rs 500/- respectively.

The per kg Nutrient Based Subsidy for Nutrients 'N' 'P' 'K' for the period 2020-21 to 2023-24 is given below:

(Rs/Kg of Nutrient)

Sl.No.	Nutrients	2020-21	2021-22	2022-23	2023-24
1	N	18.789	18.789	98.02	47.02
2	P	14.888	45.323	66.93	20.82
3	K	10.116	10.116	23.65	2.38
4	S	2.374	2.374	6.12	1.89

Risk Management

Major challenges that fertilizer industry is facing are increasingly volatile International market for fertilizers and raw materials, steep depreciation in rupee value, increasing prices of NPK fertilizers due to new NBS policy and rise in the working capital requirements of fertilizer firms in addition to the historical challenges associated with the rural markets. The Company has a well laid down Risk Management System with Risk Assessment & Risk Mitigation procedures to evolve suitable strategies for mitigating associated risks through better management practices and achieve corporate objectives.

The identified potential risks such as Operational, Input, Utilities, Project Implementation, Business, Competition, Assets, Internal Control, Environmental, Financial, Human Resources, Legal, Regulatory, MIS and Market Risks and their impact on the Company's performance and Stakeholders' interest is assessed on continual manner. The reporting of Risk Assessment and Risk Mitigations under the policy is reviewed by the Audit Committee and the Board periodically.

Flood during Dec 2023 /Michaung cyclone: Since MFL had experience in the similar situation during 2015-16, we could anticipate the consequences in advance and necessary steps were taken to safe guard the Plant operation by elevating the DCS control systems above floor level; water logging areas were identified and dewatered using portable pumps. Also to avoid water entry into the Electrical Substations entrance floor level has been raised. This resulted in early restoration of normal operations.

Internal Control System

The company has an Internal Control system designed to ensure security of the assets of the company and efficiency of operations. The internal Control systems include proper delegation of authority, supervision, Online Integration System (OLIS) and checks & procedures trough documented policy guidelines and manuals.

Ratio Analysis

Particulars		FY 2023-24
(i)	Debtors Turnover	6.94
(ii)	Inventory Turnover	1.12
(iii)	Interest Coverage Ratio	1.16
(iv)	Current Ratio	0.63
(v)	Debt Equity Ratio	(8.35)
(vi)	Operating Profit Margin (%)	12.53
(vii)	Net Profit Margin (%)	0.25%
(viii)	Return on Net worth	NA

Accounting Treatment:

There is no change in the accounting treatment adopted by the Company during the year in the preparation of financial statement other than the Indian Accounting standards as per the provisions of the Companies Act and Rules made thereunder.

Prevention of Sexual Harassment

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Corporate Governance Report.

The Company has zero tolerance for sexual harassment at the work place and has been following the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2014 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Internal Compliance Committee (ICC) is in place at MFL to redress complaints received regarding sexual harassment. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's premises are covered under this provision.

Summary of sexual harassment issues raised attended and disposed of during the financial year 2023-24:

No. of complaints received	:	Nil
No. of complaints disposed of	:	Nil
No. of cases pending for more than 90 days	:	Nil

ANNEXURE – III

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

The Company adopts well-established corporate governance principles and practices developed over a period of time, which are constantly updated in the changing scenario. The Company's citizen charter provides for transparency, integrity and accountability in all spheres of corporate functions. The Company's Corporate Governance principle and practice include internal empowerment of middle level Officers.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Board of Directors

Composition

At present, MFL Board strength is 10. Chairman and Managing Director and Director (Technical) are Executive Directors and all other Directors are Non-Executive Directors. The Board of Directors comprise of One GOI Nominee Director and Two functional Directors viz. CMD and Director – Technical appointed by the Government of India. Our Co-Promoter, Naftiran Intertrade Co. Ltd., has appointed three Directors. Four Non-official independent directors are appointed by the Government of India.

Other Details relating to the Board

Sl.No.	Director	Category	Tenure			In other Board Committees		Directorship in other listed entity
			From	To	Director-ship	Member-ship	Chairman-ship	
1	Shri Manoj Kumar Jain (DIN 10690782)	CMD	07.06.2024	Continuing	-	-	-	-
2	Smt. Neeraja Adidam (DIN 09351163)	CMD (Addl Charge)	30.04.2024	06.06.2024	3	-	-	
3	Shri Kishor Rungta (DIN 00231106)	CMD (Addl Charge)	16.06.2023	02.02.2024	3	-	-	FACT
4	Dr Tina Soni (DIN 07720240)	NED (GOI Nominee)	04.04.2024	Continuing	-	-	-	-
5	Shri Arvind Kumar (DIN 10117759)	NED (GOI Nominee)	10.02.2023	04.04.2024	-	-	-	-
6	Dr K Jayachandran (DIN 10062573)	Director - Technical	01.05.2023	Continuing	1	-	-	FACT

Sl.No.	Director	Category	Tenure			In other Board Committees		Directorship in other listed entity
			From	To	Director-ship	Member-ship	Chairman-ship	
7	Shri Mohammad Bagher Dakhili (DIN 07704367)	NED NICO Nominee	18.02.2017	Continuing	1	1	-	Chennai Petroleum Corpn. Ltd
8	Shri Babak Bagherpour (DIN 08341090)	NED NICO Nominee	23.10.2018	Continuing	1	1	-	Chennai Petroleum Corpn. Ltd
9	Mrs.Samieh Kokabi (DIN 09066692)	NED NICO Nominee	10.02.2021	Continuing	-	-	-	-
10	Shri Nalabothu Venkata Rao (DIN 00310724)	Indeppendent	05.11.2021	Continuing	9	-	-	-
11	Dr C R Jayanthi (DIN 09450350)	Indeppendent	05.11.2021	Continuing	-	-	-	-
12	Shri Sanjay Shetye (DIN 01089380)	Indeppendent	31.12.2021	Continuing	3	-	-	-
13	Dr Jatin Kumar Mohanty (DIN 02660442)	Indeppendent	20.06.2023	Continuing	2	-	-	-

Details regarding tenure, number of other Directorships/Committee Memberships (viz. Audit Committee and Shareholders Grievance Committee as per SEBI's Corporate Governance Code) held by Directors during the year 2023-24 are tabulated below:

Board Meeting

During the year, Five (5) meetings of the Board were held on 17.05.2023, 08.07.2023, 03.11..2023, 14.022024 and 28.03.2024. The Annual General Meeting was held on 25th September 2023 through Video Conference("VC") / Other Audio Visual Means("OAVM"). Details of attendance of directors at the Board Meetings and Annual General Meeting are as follows:-

Sl. No.	Name of the Director	Category	Tenure		Board Meetings during respective tenure of Directors		Whether attended last AGM held on 25.09.2023
			From	To	Held	Attended	
1	Shri Kishor Rungta	CMD	16.06.2023	02.02.2024	5	2	Yes
2	Smt. Neeraja Adidam	CMD	30.04.2024	06.06.2024	5	NA	NA
3	Shri Manoj Kumar Jain	CMD	07.06.2024	Continuing	5	NA	NA
4	Shri Arvind Kumar	NED (GOI NOMINEE)	10.02.2023	04.04.2024	5	3	Yes

Sl. No.	Name of the Director	Category	Tenure		Board Meetings during respective tenure of Directors		Whether attended last AGM held on 25.09.2023
			From	To	Held	Attended	
5	Dr Tina Soni	NED (GOI NOMINEE)	04.04.2024	Continuing	5	NA	NA
6	Dr K Jayachandran	Director - Technical	01.05.2023	Continuing	5	4	Yes
7	Shri Mohammad Bagher Dakhili	NED (NICO NOMINEE)	18.02.2017	Continuing	5	4	Yes
8	Shri Babak Bagherpour	NED (NICO NOMINEE)	23.10.2018	Continuing	5	4	Yes
9	Mrs.Samieh Kokabi	NED (NICO NOMINEE)	10.02.2021	Continuing	5	4	Yes
10	Shri Nalabothu Venkata Rao	Independent	05.11.2021	Continuing	5	5	Yes
11	Dr C R Jayanthi	Independent	28.12.2021	Continuing	5	5	Yes
12	Shri Sanjay Shetye	Independent	31.12.2021	Continuing	5	5	Yes
13	Dr Jatin Kumar Mohanty	Independent	20.06.2023	Continuing	5	4	Yes

Relationships between Directors Inter-Se There is no inter-se relationship with directors and KMP of the Company.

Number of shares and convertible instruments held by non- executive directors: Nil

SKILLS/EXPERTISE/COMPETENCIES AVAILABLE WITH THE BOARD

In pursuance to Schedule V of the SEBI (LODR) Regulation, the chart setting out the core skills / expertise/ competencies identified by the Board of Directors as required by it in the context of the Company's business and sector for it to function effectively and those actually available with the Board of Directors and the names of directors who have such skills / expertise / competencies are as under

Name of Director	Skills/expertise/competencies				
	Corporate Governance and Legal Compliance	Accounting and Finance	Leadership and General Management	Industry Experience	Strategic Planning and Implementation
Shri Kishor Rungta	√	√	√	√	√
Smt. Neeraja Adidam	√	√	√	√	√
Shri Manoj Kumar Jain	√	√	√	√	√
Shri Arvind Kumar	√	√	√	√	√
Dr Tina Soni	√	√	√	√	√

Dr K Jayachandran	√	√	√	√	√
Shri Mohammad Bagher Dakhili	√	√	√	√	√
Shri Babak Bagherpour	√	√	√	√	√
Smt. Samieh Kokabi	√	√	√	√	√
Shri Nalabothu Venkata Rao	√	√	√	√	√
Dr C R Jayanthi	√	√	√	√	√
Shri Sanjay Shetye	√	√	√	√	√
Dr Jatin Kumar Mohanty	√	√	√	√	√

In the opinion of the Board, the Independent Directors fulfills the conditions specified in the Listing Regulations and are Independent of the Management.

Audit Committee

During the year 2023-24, the Audit Committee met Four (4) times on i.e.. 17.05.2023, 08.07.2023, 03.11.2023 and 14.02.2024, Details of attendance of the members of Audit Committee Meetings are as follows:-

Sl.No.	Name of the Audit Committee Members	Status	Tenure		No of Meeting Held	No of Meeting Attended
			From	To		
1	Shri Nalabothu Venkata Rao	Chairman - Independent	10.02.2022	Continuing	5	5
2	Shri Arvind Kumar	Member - GOI Nominee	31.03.2023	04.04.2024	5	3
3	Dr Tina Soni	Member - GOI Nominee	04.04.2024	Continuing	NA	NA
4	Dr C R Jayanthi	Member - Independent	10.02.2022	Continuing	5	5
5	Shri Sanjay Shetye	Member - Independent	10.02.2023	Continuing	5	5
6	Dr Jatin Kumar Mohanty	Member - Independent	20.06.2023	Continuing	3	3

Terms of Reference:

1. oversight of financial reporting;
2. recommendation for appointment, remuneration and terms of appointment of auditors;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, including:
   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;

c. major accounting entries involving estimates based on the exercise of judgment by management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions;

g. modified opinion(s) in the draft audit report;

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.),;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., and its shareholders.
22. to carry on the duties and function as may be assigned by the Board from time to time.

Nomination and Remuneration Committee

During the year 2023-24, the Nomination and Remuneration Committee (NRC) met on November 3, 2023. Details of attendance of the members of NRC Meeting is as follows:-

Sl. No.	Name of the NRC Members	Status	Tenure		No of Meeting Held	No of Meeting Attended
			From	To		
1	Shri Sanjay Shetye	Chairman - Independent	10.02.2022	Continuing	1	1
2	Shri Kishor Rungta	Member - CMD	16.06.2023	02.02.2024	1	1
3	Shri Manoj Kumar Jain	Member - CMD	07.06.2024	Continuing	NA	NA
3	Shri Nalabothu Venkata Rao	Member - Independent	10.02.2022	Continuing	1	1
4	Dr C R Jayanthi	Member - Independent	10.02.2022	Continuing	1	1
5	Dr Jatin Kumar Mohanty	Member - Independent	20.06.2023	Continuing	1	-

Terms of Reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be pointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for independent directors are participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement, upholding ethical standards of integrity and probity, his/her knowledge about the Company and external environment in which it operates,

REMUNERATION TO THE DIRECTORS

Being a Central Public Sector Undertaking, the Managerial Remunerations for the executives are fixed by the Government of India.

Payment of remuneration to the Chairman and Managing Director is as per the terms and conditions of appointment by the Government of India and approved by the Board.

The aggregate value of the salary, incentives, perquisites and other benefits paid by the Company to the Directors is ₹ 60,56,130.32

The Company pays only sitting fees to the Non-official Independent Directors and no other monetary compensation is being paid to them. For Nominee Director of Government of India and Nominees of Naftiran Intertrade Co (NICO) Ltd no remuneration is paid for attending the Board / Committee Meetings during the year.

Stakeholders Relationship Committee

During the year 2023-24, the Stakeholders Relationship Committee (SRC) met on November 3, 2023 & March. 28th .2024. Details of attendance of the members of SRC Meeting is as follows:-

Sl. No.	Name of the SRC Members	Status	Tenure		No of Meeting Held	No of Meeting Attended
			From	To		
1	Shri Mohammad Bagher Dakhili	Chairman - NICO Nominee	10.02.2022	Continuing	1	1
2	Shri Kishor Rungta	Member - CMD	16.06.2023	02.02.2024	1	1
3	Shri Manoj Kumar Jain	Member - CMD	07.06.2024	Continuing	NA	NA
4	Shri Arvind Kumar	Member - GOI Nominee	31.03.2023	04.04.2024	1	1
4	Dr Tina Soni	Member - GOI Nominee	04.04.2024	Continuing	NA	NA
5	Shri Nalabothu Venkata Rao	Member - Independent	10.02.2022	Continuing	1	1
6	Dr K Jayachandran	Director - Technical	01.05.2023	Continuing	1	1

The scope and function of the Committee is as per Clause 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For the year 2023-24, 22 Share Transfer Committee Meetings have been held to consider share transfer and other share related matters.

Total number of complaints redressed by the Company and Share Transfer Agents during the period was 1034 which include attending Loss of Share Certificate, Issue of Duplicate Share Certificate, Nomination and Procedure for transmission of shares, general queries, etc. All the complaints were redressed in full and there is no pending as of March 31, 2024.

Risk Management Committee

During the year 2023-24, The Risk Management Committee (RMC) met on November 3 & March 28th, 2024. Details of attendance of the members of RMC Meeting is as follows:-consists of the following members:

Sl. No.	Name of the RMC Members	Status	Tenure		No of Meeting Held	No of Meeting Attended
			From	To		
1	Shri Nalabothu Venkata Rao	Chairman - Independent	10.02.2022	Continuing	2	2
2	Shri Kishore Rungta	Member - CMD	16.06.2023	02.02.2024	2	1
3	Dr K Jayachandran	Director - Technical	01.05.2023	Continuing	2	2
4	Shri Mohammad Bagher Dakhili	Member - NICO Nominee	10.02.2022	Continuing	2	2

Terms of Reference:

1. (a) A framework for identification of internal and external risks specifically faced by Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Compliance Officer: Shri J Srinivasa Saravanan has been appointed as the Company Secretary and Compliance Officer effective August 14, 2024 consequent to the resignation of Shri R Ram Ganesh on December 12, 2023. During the period December 2023 – June 2024, Shri Priya Ranjan Panda, CFO was appointed as Compliance Officer till June 2024 i..e, the date of his superannuation 30.06.2024. From July 10, 2024, Mrs Padmavathy, Dy. Manager - Finance was appointed as Compliance Officer.

General Body Meetings

The venue and the starting time of the last three Annual General Meetings were :

Year	Venue	Date	Time
2022-2023	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	25.09.2023 (Monday)	11.00 A.M.
2021-2022	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	21.09.2022 (Wednesday)	11.00 A.M.
2020-2021	Meeting conducted through Video Conference ("VC")/Other Audio Visual Means ("OAVM")	30.09.2021 (Thursday)	11.00 A.M.

Related Party Transactions :

A transaction with a related party shall be considered material, if either single transaction or together with all or any other transaction during a financial year with the company, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

All related party transactions entered during the year, including the one existing with the Chennai Petroleum Corporation Ltd. (CPCL), were on arm's length basis and in ordinary course of business of the Company. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company.

The Policy on dealing with related party transactions are displayed in our website www.madrasfert.co.in.

Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted a whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism.

Compliance:

In respect of appointment of two more Independent Directors on the Board of MFL, the Company requested the Department of Fertilizers to appoint them at the earliest.

Total fees for all services paid to the statutory auditor by the Company for the FY 2023-24 was ₹ 20 lacs.

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC).

Means of Communication

Whether half-yearly report sent to each household of shareholders: No.

Quarterly Financial Results :

Quarterly Financial results are published in one National Daily, Financial Express and one Regional Daily Maalaimalar. The financial results are made available on the Company's website: www.madrasfert.co.in.

Whether any presentation made to institutional investors or to the analyst: No.

General Shareholders Information

Annual General Meeting, Date, Time and Venue:		
AGM Date	:	**September 26, 2024**
Time	:	11,00 a.m.
Venue	:	Video Conferencing / AV means
Financial Year	:	April 2023 – March 2024
Book Closure Date	:	20.09.2024 to 25.09.2024 (both days inclusive)
Dividend Payment	:	Nil
Whether Management Discussion and Analysis is part of this report	:	Yes
Listing on Stock Exchanges	:	National Stock Exchange of India Ltd
The Company has paid the listing fees to the stock exchange in time.		
Stock Code / Symbol	:	
National Stock Exchange of India Ltd	:	MADRASFERT
High / Low share prices during the year April 1, 2023 to March 31, 2024		

National Stock Exchange of India Ltd

Month	NSE High (₹)	NSE Low (₹)	S & P CNX Nifty Index High	S & P CNX Nifty Index Low	Traded Volume (in lacs)	Traded Value (₹ lacs)
Apr 2022	78.80	57.70	18089.15	17312.75	610.96	43921.79
May	81.90	66.00	18662.45	18042.40	250.80	18652.18
Jun	79.90	67.80	19201.70	18464.55	305.30	23043.61
Jul	91.90	71.60	19991.85	19234.40	413.12	33830.72
Aug	81.90	70.65	19795.60	19223.65	137.91	10524.62
Sep	85.70	75.00	20222.45	19255.70	289.10	23324.02
Oct	87.60	72.25	19849.75	18837.85	358.98	29268.27
Nov	83.40	75.60	20158.70	18973.70	112.36	8887.09
Dec	114.00	79.20	21801.45	20183.70	915.55	93882.19
Jan 2023	124.35	106.40	22124.15	21137.20	518.96	59995.39
Feb	118.95	93.05	22297.50	21530.20	157.18	16389.07
Mar	102.00	75.45	22526.60	21710.20	74.47	6376.35

Share Transfer System

M/s Integrated Registry Management Services Private Limited, a SEBI Registered Share Transfer Agent has been assigned the Share Transfer and Depository Registry related functions. Share Transfer Committee attends to share transfer formalities every fortnight.

Share Transfer Agent & Depository Registry:

M/s Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers
No. 1, Ramakrishna Street
Off: North Usman Road
T Nagar, Chennai 600 017
Phone 091-044 - 2814 0801 to 803
Email : einward@integratedindia.in

Dematerialisation of Shares:

MFL has connectivity with both NSDL and CDSL

ISIN No : INE 414A01015

157583598 equity shares (representing 97.81% of total shares) have been dematerialized as of March 30, 2024. In terms of number of shareholders, 86.18 % of shareholders have dematted their shares.

Distribution of Shareholding:
The distribution of shareholding as on March 31, 2024 is as follows:

Sl No	Category of Shares	PHYSICAL			NSDL			CDSL			TOTAL		
		Holder	Shares	%	Holder	Shares	%	Holder	Shares	%	Holder	Shares	%
1	Up to 500	5873	1613402	1.00	12749	1904763	1.18	28622	2841639	1.76	47244	6359804	3.95
2	501 - 1000	1479	1444800	0.90	1587	1405438	0.87	1697	1400358	0.86	4763	4250596	2.64
3	1001 - 2000	158	292000	0.18	601	950445	0.59	752	1148157	0.71	1511	2390602	1.48
4	2001 - 3000	30	85300	0.05	193	524048	0.33	242	622917	0.39	465	1232265	0.76
5	3001 - 4000	3	10300	0.01	84	309479	0.19	105	379471	0.24	192	699250	0.43
6	4001 - 5000	12	59900	0.04	68	330445	0.21	113	537275	0.33	193	927620	0.58
7	5001 - 10000	2	12000	0.01	94	740349	0.46	102	768873	0.48	198	1521222	0.94
8	10001 and Above	0	0	0.00	72	141857982	88.05	75	1861959	1.16	147	143719941	89.22
	Total	**7557**	**3517702**	**2.19**	**15448**	**148022949**	**91.88**	**31708**	**9560649**	**5.93**	**54713**	**161101300**	**100.00**

Category of Shareholders as on March 31, 2024 as follows:

Sl. No	Category	Physical				Electronic				Total			
		No. of Holders	% of Holders	No. of Shares	% of shares	No. of Holders	% of Holders	No. of Shares	% of shares	No. of Holders	% of Holders	No.of Shares	% of shares
1	BANK'S	13	0.0238	34600	0.0215	0	0	0	0	13	0.0238	34600	0.0215
2	BODIES CORPORATE	76	0.1389	119000	0.0739	147	0.2687	679532	0.4218	203	0.4076	798532	0.4957
3	CLEARING MEMBER	0	0.00	0	0	4	0.0073	6027	0.0037	4	0.0073	6027	0.0037
4	EMPLOYEES	72	0.1316	60400	0.0375	74	0.1353	47646	0.0296	146	0.2669	108046	0.0671
5	FOREIGN PROMOTERS	0	0.00	0	0	1	0.0018	41516500	25.7704	1	0.0018	41516500	25.7705
6	GOVERNMENT/ PROMOTERS	0	0.00	0	0	1	0.0018	95851700	59.4978	1	0.0018	95851700	59.4978
7	LLP	0	0.00	0	0	6	0.0110	7001	0.0043	6	0.0110	7001	0.0043
8	MUTUAL FUND	1	0.0018	2400	0.0015	0	0	0	0	1	0.0018	2400	0.0015
9	N R I	0	0.00	0	0	373	0.6817	465971	0.2892	373	0.6817	465971	0.2892
10	HUF	0	0	0	0	537	0.9815	689297	0.4279	537	0.9815	689297	0.4279
11	TRUST	0	0	0	0	1	0.0018	1000	0.0006	1	0.0018	1000	0.0006
12	FORN.POFOL INV. CORP.1&2	0	0	0	0	3	0.0055	212702	0.1320	3	0.0055	212702	0.1320
13	NBFCs	0	0.00	0	0	1	0.0018	30000	0.0186	1	0.0018	30000	0.0186
14	RESIDENT INDIAN	7395	13.5160	3301302	2.0492	46008	84.0897	18076222	11.2204	53403	97.6057	21377524	13.2696
	Total	7557	13.8121	3517702	2.1836	47156	86.1879	157583598	97.8163	54713	100.00	161101300	100.00

Mode-wise Shareholdings as on March 31, 2024

Mode	Count	Shares	%
Physical	7557	3517702	2.19
NSDL	15448	148022949	91.88
CDSL	31708	9560649	5.93
Grand total	54713	161101300	100.00

Category	Count	Shares	%
Government of India	1	95851700	59.50
Naftiran Inter Trade Company (NICO) Ltd	1	41516500	25.77
Others	50583	23733100	14.73
GRAND TOTAL	50585	161101300	100.00

Plant Location : Manali, Chennai 600 068
The Address for correspondence is

J Srinivasa Saravanan
Company Secretary & Compliance Officer
Madras Fertilizers Limited
Manali, Chennai 600 068
Tel : 044 2594 2281 / 044 25945489
Email : cs@madrasfert.co.in, cosec@madrasfert.co.in

ANNEXURE – III

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Madras Fertilizers Limited.
Manali, Chennai – 600 068.

We have examined the compliance of conditions of Corporate Governance by M/s.MADRAS FERTILIZERS LIMITED, having CIN: L32201TN1966GOI005469, for the year ended 31st March 2024, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance wherever applicable. The Composition of the Board of Directors during the period under review are not in accordance with the provisions of SEBI (LODR) Regulations. However, being a Government Company it has taken up the matter with the Department of Fertilizers, Government of India to appoint sufficient number of Independent Directors to comply with the SEBI (LODR) Regulations.

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

Yours Faithfully
For V.Esaki & Associates
Company Secretaries

V.Esaki
Proprietor / Membership No: 30353
UDIN : A030353F000947060

Place : Chennai
Date : 10/08/2024

ANNEXURE IV

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	:	L32201TN1966GOI005469
2	Name of the Listed Entity	:	MADRAS FERTILIZERS LIMITED
3	Year of incorporation	:	1966
4	Registered office address	:	Post Bag No.2, Manali, Chennai 600068
5	Corporate address	:	Post Bag No.2, Manali, Chennai 600068
6	E-mail	:	cs@madrasfert.co.in/cosec@madrasfert.co.in
7	Telephone	:	25942489 / 25945203
8	Website	:	www.madrasfert.co.in
9	Financial year for which reporting is being done	:	2023-24
10	Name of the Stock Exchange(s) where shares are listed	:	National Stock Exchange (NSE)
11	Paid-up Capital	:	₹ 161.10 Cr
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Company Secretary & Compliance Officer Madras Fertilizers Limited Manali, Chennai 600068 Phone : 044-25942281 / 25945489
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	Standalone basis

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture & Marketing Fertilizers	Production and Marketing of Neem Coated Urea and NPK 17-17-17 Complex Fertilizers / BIO / AGRO / Organic and City Compost	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
2.	Neem Coated Urea	20121	99%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	13*	14
International	-	-	-

* Regional / Sales offices & Bio Plant office only

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	7 (5 States and 2 Union Territories)
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of Customers :

MFL is selling its products in Southern States of India by having the network of around 5363 dealers in different categories which are detailed below :

Gen	SC	ST	Unemp	Govt	Ex-Ser	PH	Coop	Inst	Others	Total
3469	1404	220	34	5	8	6	214	0	3	5363

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	256	230	89.84%	26	10.16%
2.	Other than Permanent (E)	NIL				
3.	Total employees (D + E)	256	230	89.84%	26	10.16%

WORKERS						
4.	Permanent (F)	179	171	95.53%	8	4.47%
5.	Other than Permanent (G)	1870	1800	96.26%	70	3.74%
6.	Total workers (F + G)	2049	1971	96.19%	78	3.81%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	0	0
2.	Other than Permanent (E)	NIL				
3.	Total differently abled employees (D + E)	3	3	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0
5.	Other than permanent (G)	NIL				
6.	Total differently abled workers (F + G)	1	1	100%	0	0

19. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20
Key Managerial Personnel	3	-	Nil

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.12	0.04	0.11	0.11	0.10	0.11	0.06	0.09	0.07
Permanent Workers	0.03	0.00	0.03	0.02	0.11	0.03	0.03	0.00	0.03

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Not Applicable				

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in Rs.) : 2,272.68 Cr
(iii) Net worth (in Rs.) : (189.72)
(iv) Amount spent as CSR : 6.33 Cr

Company has spent excess amount as CSR in the previous years and hence the same is being utilized for set off.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes **www.madrasfert.co.in**	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes **www.madrasfert.co.in**	222	Nil	Nil	33	Nil	Nil
Employees and workers	Yes **www.madrasfert.co.in**	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes **www.madrasfert.co.in**	1	Nil	Nil	4	Nil	Nil
Value Chain Partners	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format :

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Price Volatility of Raw Materials for Fertilizers	Risk and opportunity	Increase in Demand for Fertilizers	Changeover of feed stock from Naptha to RLNG will substantially reduce the cost of production of urea and Product Diversification strategies are also in the pipeline	Positive Huge Demand and import dependency provides opportunity for business expansion.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

P1	P2	P3	P4	P5	P6	P7	P8	P9
Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Responsible Lending	Public Policy Advocacy	Inclusive Growth	Customer Engagement
Policy and Management Process								

1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)^	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Has the policy been approved by the Board? (Yes/No) {Refer Note 1}	Policies of the Company have been approved or competent authorities as per the Delegations of the Board									
Web link of the policies, if available	www.madrasfert.co.in Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website.									
Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Company undertakes.									
Do the enlisted policies extend to your value chain partners?	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same									
Name the national and international codes/ certifications/ labels/ standards	Not Applicable									

5. Specific commitments, goals, targets set by the entity

1. Trading of all types of finished Fertilizers products
2. New Brownfield Ammonia / Urea Plant

6. Performance of the entity against specific commitments, goals and targets

The Company has been taking effective steps in achieving the targets set

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

The Company's key objective is to increase production of High Quality Fertilizers across the country. Also the Company is increasing its due diligence on environmental and social risks and discourages wasteful usage of natural resources. There is a recognition of the medium to long-term benefits that accrue from renewables and the Company endeavours to reduce its carbon footprint.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Company Secretary and Compliance Officer
9	Does the entity have a specified committee of the board/ director responsible for decision making on sustainability related issues?	Yes. The directors and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. The BR performance of the Company is assessed by the following committees of the board: i. The Audit and Governance Committee; ii. The Corporate Social Responsibility Committee; iii. The Stakeholders Relationship Committee. iv. Risk Management Committee v. Nomination and Remuneration Committee

10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	As a practice, BR policies of the Company are planned to be reviewed periodically or on a need basis.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

    Yes, The processes and compliances, is subject to scrutiny by internal auditors and regulatory compliances, as applicable.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

    NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE – 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Essential Indicators

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and impact	%age of persons in respective category covered by the awareness programs
Board of Directors	2	Online Orientation for Directors of Listed Companies Capacity Building Program for Non Official Independent Directors of CPSEs	100
Key Managerial Personnel	0	NA	NA
Employees other than BoD and KMPs	15	Preventive Vigilance, Pre-retirement Planning and Basic Tender Concepts	100
Workers	Nil	Preventing Sexual Harassment of Women	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
	Name of the regulatory/ enforcement agencies/judicial institutions	**Amount (in INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	National Stock Exchange	5.54 lacs	Constitution of Board as per LODR	No
Settlement	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA
Non-Monetary				
	Name of the regulatory/ enforcement agencies/judicial institutions	**Amount (in INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes, we have Anti-Corruption or Anti-Bribery Policy and the same is available in www.madrasfert.co.in

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   NA

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness -programmes held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Others	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

   NA

PRINCIPLE - 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and process to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	Nil	2.96%	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   b. If yes, what percentage of inputs were sourced sustainably? NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Covered in the Report

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   No.

Leadership Indicators

1. Has the entity conducted Life Cycle perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Nil					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Nil		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Nil	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (Including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE - 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% covered	Number (B)	% covered	Number (B)	% covered	Number (B)	% covered	Number (B)	% covered
Permanent employees											
Male	401	401	100	401	100	NA	NA	15	2.95	NA	NA
Female	34	34	100	34	100	2	0.39	NA	NA	NA	NA
Total	435	435	100	435	100	2	0.39	15	2.95	NA	NA
Other than Permanent employees											
Male	1800	1800	100	1800	96.26	Nil	Nil	Nil	Nil	Nil	Nil
Female	70	70	100	70	3.74	Nil	Nil	Nil	Nil	Nil	Nil
Total	1870	1870	100	1870	100	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	-	NA	100	-	NA
ESI	-	100	Y	-	100	Y
Others – Please specify	Retirement medical reimbursement, Superannuation, PF & LIC pension & Benevolent fund	100	NA	Retirement medical reimbursement, Superannuation, PF & LIC pension & Benevolent fund	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Various offices of the Company, including the registered and corporate offices have ramps for easy movement of differently abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company operates with the policy of inclusive work culture and an environment free from any discrimination.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees	
Gender	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes Internal Grievance Committee (IGC) Internal Complaints Committee (CC) for Redressal of women employees against Sexual Harassment
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	256	233	91.02	289	192	66.44
- Male	230	209	90.87	262	178	67.94
- Female	26	24	92.31	27	14	51.85

8. Details of training given to employees and workers :

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	55	32	58.18	23	41.82	45	0	0	45	100
Female	2	1	50	1	50	54	0	0	54	100
Total	57	33	57.89	24	42.11	99	0	0	99	100
Workers										
Male	33	33	100	-	-	-	-	-	-	-
Female	-	-	-	-	-	31	-	-	31	100
Total	33	33	100	-	-	31	-	-	31	100

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	230	230	100	262	262	100
Female	26	26	100	27	27	100
Total	250	250	100	289	289	100
Workers						
Male	171	171	100	172	172	100
Female	8	8	100	8	8	100
Total	179	179	100	180	180	100

10. Health and Safety Management Systems:

a. Whether an occupational health and safety management system has been implemented by the entity? (yes / No.). If yes, the coverage such systems?

Yes. The Company has a policy on health and safety for its employees. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees are given periodic training on basic and advanced fire safety, including evacuation drills

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company recognises the risks of infections that could take place in the office premises. To minimise these risks, the Company took necessary precautions at the offices, which included sanitisation of all office premises, removal of biometric scanners, installation of thermal scanners, daily communication updates, and restricted movements in common areas, closure of recreational facilities and avoidance of large gatherings. The Company also adhered to all the government directives and issued travel and health advisories to its employees.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Company has necessary protocols and systems in place to ensure employees' safety is not compromised at the workplace.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of Safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1	1
	Workers	2.10	Nil
Total recordable work-related injuries	Employees	Nil	1
	Workers	1	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	1	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company emphasises on the importance of maintaining a safe and healthy workplace for all employees and third-party employees who work on its premises. The Company assesses the health, safety and environmental performance across all its premises. For employees and workers are given training on fire safety and evacuation drills. Fire drills, mock drills and audits are conducted in the premises to ensure maintenance of safety standards.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health & Safety	NIL	NIL	-	NIL	NIL	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%(Frequent Visit by Joint Director of DISH)
Working Conditions	100%(On site mock drill conducted at regular intervals in presence of Joint director of DISH) Off-site Mock drill was conducted in the presence of District Crisis Group and Statutory Officials in June 2022

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

1. Qualitative Risk Assessment (QRA) Study Done.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The Company ensures that statutory dues as applicable to the transactions within the remit of the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	1	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   NA

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Company expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   NA

PRINCIPLE – 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder and this inter alia includes employees, shareholders and investors, customers etc

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stake-holder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Annually	To stay abreast of developments in the Company
Customers	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
Employees	No	Direct & other communication mechanisms	Regular	To stay abreast of developments in the Company and for day to day operations

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company has always maintained that a constant and proactive engagement with our key stakeholders enables the Company to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   It is still in a 'learning phase' on various evolving aspects of ESG and hence stakeholder interactions are important.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Nil

PRINCIPLE 5

Business should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	Nil	Nil	Nil	Nil	Nil	Nil
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of minimum wages paid to employees and workers in the following format:

Category	FY 2023-24 Current Financial Year						FY 2022-23 Previous Financial Year			
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	1870	1870	100	-	-	2036	2036	100	-	-
Male	1800	1800	100	-	-	1987	1987	100	-	-
Female	70	70	100	-	-	49	49	100	-	-

3. Details of remuneration / salary / wages in the following format

	Male		Female	
	Number	**Median remuneration / salary / wages of respective category (Rs in lacs)**	**Number**	**Median remuneration / salary / wages of respective category (Rs in lacs)**
Board of Directors (BoD)	2	30.23	0	NIL
Key Managerial Personnel	2	30.83	0	-
Employees other than BoD and KMP	219	28.43	26	20.15
Workers	178	18.49	8	14..15

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business (Yes / No)

   Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil

Forced Labour / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related Issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

8. Do human rights requirements form part of your business agreements and contracts? (Yes / No)

   Yes, wherever, applicable

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% by statutory authorities and third party.
Forced / Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    Nil

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

   No deviation in the business process.

2. Details of the scope and coverage of any human rights due-diligence conducted.

   100% by the Statutory authorities and third parties by correcting all employees.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain lending arrangements.
Discrimination at workplace	
Child labour	
Forced Labour / Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
NA

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total electricity consumption (A) Gcal/MT	0.6197	0.6064
Total fuel consumption (B) Gcal/MT	2.1144	2.1275
Energy consumption through other sources (C)Gcal/MT	4.8778	4.8504
Total energy consumption (A+B+C) Gcal/MT	7.6118	7.5843

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
NA

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in Kilolitres)		
i. Surface water	Nil	Nil
ii. Ground water	Nil	Nil
iii. Third party water	Nil	Nil
iv. Sea water / desalinated water	300533	316370
v. Others (Sewage+TTRO)	3759389	4481906
Total Volume of water withdrawal (in Kilolitres) (i + ii + iii+ iv + v)	4059922	4798276

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

In our Company, we have the following Effluent Treatment Plants for treating the Effluents generated in the Plants.

1. COOLING WATER BLOWDOWN TREATMENT PLANT (Cap. 3840 KLPD)

We use UF membrane technology to remove salts and reduce TDS. The outlet from this plant is fed into RO membranes (B stream) for further reduction of Chlorides and other salts. The permeate from this plant is directly fed into the CW system.

2. COMMON EFFLUENT TREATMENT PLANT (Cap. 480 KLPD)

The Sanitary overflow and Effluents from both Staff and Labour Canteens are being treated in this plant. The BOD and the COD are reduced by Aeration method and the Clarifier Overflow after passing through DMF (Treated Water) are used for Gardening Purpose

3. EFFLUENT TREATMENT PLANT (Cap.360 KLPD)

The effluents generated from NPK Plants are treated in this Plant and the treated water is used in scrubbers instead of service water, thus saving Metro Water.

5 Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Utility Boiler

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Mg / nm^3	126	1.4
Sox	Mg / nm^3	BDL	8.7
Particulate Matter (PM)	Mg / nm^3	14	96

*** 110ATA Boiler**

Parameter	Please specify unit	FY 2023-24* (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Mg / nm^3	81	154
Sox	Mg / nm^3	BDL	3.0
Particulate Matter (PM)	Mg / nm^3	13	27.54

*** PC-Boiler**

Parameter	Please specify unit	FY 2023-24* (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Mg / nm^3	81	154
Sox	Mg / nm^3	BDL	3.0
Particulate Matter (PM)	Mg / nm^3	13	27.54

* Note – Sample collected from 110 ATA/PC Boiler common stack

 # Urea Prill Tower Demister

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm3	NA	NA
SOx	mg/Nm3	NA	NA
Particulate matter (PM)	mg/Nm3	7	38.1
Persistent organic pollutants(POP)		NA	NA
Volatile organic compounds(VOC)		NA	NA
Hazardous air pollutants(HAP)		NA	NA
Others – NH3		128	72

 # NPK-C Train

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm^3	NA	NA
SOx	mg/Nm^3	NA	NA
Particulate matter (PM)	mg/Nm^3	Plant Shutdown	31.2
Persistent organic pollutants(POP)		NA	NA
Volatile organic compounds(VOC)		NA	NA
Hazardous air pollutants(HAP)		NA	NA
Others – NH3	mg/Nm^3	Plant Shutdown	19
Others – F	mg/Nm^3	Plant Shutdown	0.37

 # All these analysis were carried out by MoEFCC authorized lab

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	110 ATA, PCB, Utility boiler & Reformer 1.96 Lakhs MT	110 ATA, PCB, Utility boiler & Reformer 3.23 Lakhs MT
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Project for expansion of green belt area is in progress to reduce the Green House Gas emission. We have planted one acre of land with 400 saplings as Phase I under Tamil Nadu Kurungadugal Scheme Development inside MFL and around 500 saplings are being planted in Kurungadugal Phase II. Another 3 acres of land will be developed in a Phased manner.

In one of the Utility Boilers, the Fuel was changed over from Fuel Oil to Natural Gas Firing and Commissioned during October 2023.

8. Provide details related to waste management by the entity in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	Nil
E- waste (B)	Recycled	Recycled
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Reused for Land filling	Reused for Land filling
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. (G) i .Spent Catalyst ii. Used Oil iii. Residue containing Oil iv. Chemical Drum	 3.42 MT Nil 17.88 MT 1864 Nos.	 3.42 MT Nil 13.08 MT 1500 Nos.
Other Non-hazardous waste generated (H).	Nil	Nil
Total (A+B+C+D+E+F+G+H)	21.3 MT	16.5 MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total	Nil	Nil

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Method of Disposal	a	Shredding and selling - Used paper & useless wood scrap.
	b	Sale by auction: - Metal scraps, damaged equipment parts, usable wood and spent catalysts.
	c	Composting:- Wet garbage from canteens
	d	Spent catalyst are generated during annual turnaround (once in 24 to 60 months depending on the need for replacement of catalyst) and spent oil are carefully stored in closed drums and sold thru Pollution Control Board authorized vendors having valid authorization from both SPCB and MOEF. Wastes / residues containing Oil & discarded containers /Barrels / liners contaminated with HW chemicals are also sold through in the same.

10. If the entity has operations / offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify the details in the following format.

S.No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Yes			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances in the following format.

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts
1	NIL	NA	NA
2	NIL	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	93712594 KWH / Year 0.6197 GCal/MT	110219296 KWH / Year 0.6064 GCal/MT
Total fuel consumption (E) (FO+RLNG)	13718 MT / Year +91.540MMSCM/Year (0.3031 Gcal/MT+1.8113 Gcal/MT= 2.1144 Gcal/MT)	31688 MT / Year +93.887MMSCM/Year (0.5825 Gcal/MT+1.5449 Gcal/MT= 2.1275 Gcal/MT)
Energy consumption through other sources (F) -RLNG	246.517 MMSCM / Year 4.88778 GCal//MT	294.765 MMSCM / Year 4.8504 GCal//MT
Total energy consumed from non-renewable sources (D+E+F)	7.6118 Gcal/MT	7.5843 Gcal/MT

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
i. To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
ii. To Ground water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
iii. To Sea water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
iv. Sent to third-parties	233970 KL	387960 KL
- No treatment	233970 KL	387960 KL
- With treatment – please specify level of treatment		
v. Others	Nil	Nil

- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	233970	387960

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

For each facility / plant located in areas of water stress, provide the following information:

i. Name of the area

ii. Nature of operations

iii. Water withdrawal, consumption and discharge in the following format

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
i. Surface water	Nil	Nil
ii. Ground water	Nil	Nil
iii. Third party water	Nil	Nil
iv. Sea water / desalinated water	300533	316370
v. Others (Sewage+TTRO)	3759389	4481906
Total volume of water withdrawal (in kilolitres)	4059922	4818889
Total volume of water consumption (in kilolitres)	3921372	4798276
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
i. Into Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
ii. Into Ground water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
iii. Into Sea water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		

iv. Sent to third-parties	233970 KL	387960 KL
- No treatment	233970 KL	387960 KL
- With treatment – please specify level of treatment		
v. Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	233970 KL	387960 KL

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 3 emissions per rupee of turnover		Nil	Nil
Total Scope 3 emission intensity (optional) – **the relevant metric may be selected by the entity**		Nil	Nil

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

   NA

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
NA			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web-link.

   The Manufacture, Storage and Import of Hazardous Chemicals (MSIHC) Rules, 1989 and the Chemical Accidents (Emergency Planning, Preparedness and Response) [CA (EPPR)] Rules, 1996 provide a statutory structure for controlling major hazards posed by hazardous chemicals. The rule 14(1) of MSIHC Rules requires the District Authorities to prepare an Off-site Emergency Plan.

It is a customary practice of industries to conduct Off-site Mock Drill as per MSIHC Rules, to ensure readiness and preparedness to handle any kind of emergency or disaster that may happen in an industrial area.

Prior to Off-site mock drill we conducted On-site mock drill on 16.06.2022 & 21.06.2022. Further off-site mock drill was conducted on 22.06.2022 under the able guidance of JD-DISH, Regional Deputy Commissioner (North), NDRF & District Crisis Group formed by Commissioner of Greater Chennai Corporation and including Manali Industries Association (MIA).

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. A. Number of affiliations with trade and industry chambers / associations.

List the top 10 trade and industry chambers / associations (determined based on the total members of such body) for which the entity is a member of / affiliated to

S.No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Federation of Indian Chambers of Commerce and Industry	National
2	The Fertilser Association of India	National
3	Institute of Directors	National
4	Employers Federation of Southern India	National
5	Indian Council of Fertilizer and Fertilizer Technology Research	National
6	RNZ-Indian Fertilizer Industry Directory	National
7	Standing Conference of Public Entreprises	National
8	International Fertilizer Association	International

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
NA		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S.No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes / No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
Members of the senior management are associated with various bodies from time to time, including for the purpose of legislating regulations related to capital markets and corporate governance.					

PRINCIPLE 8

Business should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by Independent External Agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community

   The Company has various mechanisms to receive and redress grievances of various stakeholders

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs / small producers	NA	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

   No

   (b) From which marginalized / vulnerable groups do you procure? NA

   (c) What percentage of total procurement (by value) does it constitute? NA

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit Shared (Yes / No)	Basis of calculating benefit share
NA				

4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
NA		

PRINCIPLE - 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Details of Toll free number, customer care email id and address of Grievance Redressal officer are printed on product bags MFL is producing and marketing across Southern Territory.

   Company will get complaints through this kind of mechanism and all complaints received will be addressed suitably.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about :

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	
Recycling and / or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   CERT-In Empanelled agency viz:- GRM Technology Private Limited conducted the Information System and Security Audit and observed that security posture of the environment is Good. There is periodic monitoring of IT implemented solutions and the data center is meeting requirement of TIA standard.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   www.madrasfert.co.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Different types of Agro Service programs were organized to educate the consumers about the usage of our products such as :

   a. **Field Demonstration :** MFL conducts demonstrations to promote its products like Bio, City Compost and Organic in its territory.

      Demonstrating the quality, usage and benefits of products at field level by selecting a farmer's field in a particular village by performing live demonstrations.

   b. **Soil Samples :** Collecting samples by technical approach from farmers and educate them about various fertilizers applications and package of practices based on soil health card recommendation

   c. **Farmer Contact Program :** MFL field officials contacting farmers on regular basis and explain about the cultivation practices by distributing handouts based on Agricultural situation & seasonal conditions

   d. **Exhibitions :** MFL participates in exhibitions by arranging stalls and distributes Pamphlets to all farmers to promote the importance of our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Company uses both physical and digital forum to inform consumers of any risk of disruption/discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. The information on the product are displayed on the packet.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact- NA

   b. Percentage of data breaches involving personally identifiable information of customers- NA

ANNEXURE –V

Declaration affirming Compliance with the Code of Conduct in terms of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board had laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct is posted on the website of the Company.

All the Board Members and Senior Management personnel affirmed compliance with the code for the financial year 2023-24.

Manoj Kumar Jain
Chairman & Managing Director
DIN : 10690782

Place: Chennai
Date: Aug 14, 2024

ANNEXURE –VI

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2024

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

To,
The Members,
MADRAS FERTILIZERS LIMITED
Manali
Chennai – 600 068.

We have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by M/s. MADRAS FERTILIZERS LIMITED [CIN: L32201TN1966GOI005469] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s. MADRAS FERTILIZERS LIMITED, books, papers, Minutes book, forms and Returns filed and secretarial and other records maintained by the company electronically and based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2024 complied with the statutory provisions listed hereunder and also that the Company has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute Books which are yet to be signed, and forms and returns filed and other records maintained by M/s.MADRAS FERTILIZERS LIMITED for the financial year ended on 31/03/2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

   The company has complied with the procedure laid under the Companies Act, 2013 except the comments marked elsewhere in the report:

   - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   - The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   - Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

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

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

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

   e. The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

iii. As informed to me the following other Laws specifically applicable to the Company as under

1. Factories Act, 1948
2. Industrial Dispute Act, 1947
3. Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. Shop & Establishment Act, 1948
9. The Payment of Bonus Act, 1965
10. The Payment of Gratuity Act, 1972
11. The Contract Labour (Regulation and Abolition) Act, 1970
12. The Maternity Benefit Act, 1961
13. The Child Labour Prohibition and Regulation Act, 1986
14. The Industrial Employment (Standing Order) Act, 1946
15. The Employee Compensation Act, 1923
16. The Apprentices Act, 1961.
17. The Environment Protection Act 1986.
18. The Air (Prevention and Control of Pollution) Act, 1981.
19. The Indian Boilers Act 1923.
20. GST Act 2017

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

We further report that based on the compliance mechanism established by the Company, which has been verified on test checked basis and the Compliance Report submitted to and taken on record by the Board of Directors of the Company, further the compliance by the Company of applicable Taxation laws, like Direct & Indirect Tax laws, has not been reviewed in our Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals. We are of the opinion that the Company has complied with the following laws applicable specifically to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation and Non Compliances.

Regarding Few Charges appearing on the Index of Charges which the company is unable find the source to approach ROC for removal of the charge ids.

Moreover there were fines imposed for the following Non Compliances made by the Company during this year also and this needs to be address by the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India.

- As per Notice issued by NSE regarding non-compliance with Regulations 17(1) of SEBI (LODR) Regulations, 2015 (Listing Regulations") dated 22nd May 2023 levied a total Penalty of Rs. 5,31,000/-.pertaining to composition of the board for the quarter ended March 31, 2023, In addition to imposing fines, non compliance Initiated action of freezing the entire shareholding of the promoters in the Company as well as in other securities held in the Demat account of the promoters, and trading in securities of the company shall take place on trade for trade basis.
- Further company was constrained to pay fine for 90 days i.e.4,50,000/- for the quarter ended as on March 2023 for non appointment of three more non official independent directors on the Board.

We further report that:

The Composition of the Board of Directors during the period under review is not in accordance with the provisions of SEBI (LODR) Regulations.

In view of the above, NSE has levied penalty as referred above. Being a Government Company, it had been communicating the matter with the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India to appoint sufficient number of Independent Directors to comply with the SEBI (LODR) Regulations.

Notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking meaningful participation at the meeting.

Decision is carried through while the members' views are captured and recorded as part of the Minutes.

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

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

Yours Faithfully
For V.Esaki & Associates
Company Secretaries

(V.Esaki)
Proprietor / Membership No: 30353
UDIN: A030353F000942099

Place : Chennai
Date : 09/08/2024

ANNEXURE ' VI-A'

To,
The Members,
MADRAS FERTILIZERS LIMITED
Manali
Chennai – 600 068

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the Secretarial Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Yours Faithfully
For V.Esaki & Associates
Company Secretaries

(V.Esaki)
Proprietor / Membership No: 30353
UDIN: A030353F000942099

Place : Chennai

Date : 09/08/2024

ANNEXURE – VII

MADRAS FERTILIZERS LIMITED
MANALI, CHENNAI 600 068
FORM NO. AOC – 2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm length basis.

S.No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/trans- action	Nil
c)	Duration of the contracts/arrangements/ transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis

S.No.	Particulars	Details
a)	Name (s) of the related party	M/s. Indian Oil Corporation Ltd
	Nature of relationship	At Arm's length price
b)	Nature of contracts/ arrangements/ transaction	Supplier of LNG & FO
c)	Duration of the contracts/ arrangements/transactions	Continuous basis
d)	Salient terms of the contracts or arrangements or transactions	Long term contract
e)	Date of approval by the board	Based on Gas Sales Agreement dated 06.02.2019
f)	Amount paid as advances, if any	Nil
g)	Amount incurred during the year	₹ 1608 Cr.

Manoj Kumar Jain
Chairman & Managing Director
DIN : 10690782

Chennai
August 14, 2024

ANNEXURE – VIII

MADRAS FERTILIZERS LIMITED
MANALI, CHENNAI 600 068

Annual Report on CSR Activities of MFL
(Pursuant to Rule 9 of the Companies (Accounts) Rules 2014)

1. A brief outline on Companies CSR Policy

   Madras Fertilizers Ltd gives priority on various social responsibility measures for the benefit of weaker section of the Society and to improve the standard of living of the inhabitant near the factory area.

2. Composition of CSR Committee as on 31.3.2024:

   The CSR Committee consists of the following members :

Sl No	Name	Designation
1.	Dr.C R Jayanthi	Chairperson
2.	Shri Arvind Kumar	Member
3.	Shri Kishor Rungta	Member
4.	Shri Sanjay Vishnu Sethye	Member

3. The Composition of CSR committee & CSR Policy are disclosed on the website of the Company.

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is not applicable

5. Since the Average Net Profit of the Company as per Section 135 (5) of Companies Act 2013 is negative, the details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, need not be disclosed.

6. Average net profit of the Company for the : 138.56 Crs last three financial years

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act: 277 lacs

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

   (c) Amount required to be set off for the financial year, if any: 46.24 lacs

   (d) Total CSR obligation for the financial year (a+b-c): NA since excess CSR contributed

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

Total Amount spent for the financial year in ₹	Amount unspent in ₹				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any find specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1 Crores	NA	NA	NA	NA	NA

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

Sl. no	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project Duration (in years)	Amount allocated for the project in fiscal 2023	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State	District						Name	CSR registration Number
NA												

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

Sl. no	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project Duration (in years)	Amount spent for the project	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State	District				Name	CSR registration Number
1	Financial assistance for construction of one room (Receiption) at Manali Police Station Chennai	1	Yes	Tamil Nadu	Chennai	NA	3.96 lacs	Y	NA	NA
2.	Vikasit Bharat Sankalp Yatra (Organised by Govt of India from 15th Nov 23)	1	No	Karnataka	Bangaluru	NA	628.94 lacs	Y	NA	NA
3	Armed Forces Flag Day Fund, New Delhi	1	No	New Delhi	New Delhi	NA	0.10 lakhs	Y	NA	NA

(d). Amount spent in Administrative Overheads: -NA

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

(f). Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 633 lakhs lacs

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

Sl No.	Particulars	Amount
(i)	2% of average net profit of the Company as per Section 135(5)	277 lacs
(ii)	Total amount spent for the financial year	633 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Excess amount spent in previous years available for Set off	46.24
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NA

(a) Details of Unspent CSR amount for the preceding three financial years:

Sl No.	Preceding financial year	Amount transferred to unspent CSR account under Section 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of Transfer	
NA							

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

Sl No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project – Completed / Ongoing
NA								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

   a. Date of creation or acquisition of the capital asset(s) : NA

   b. Amount of CSR spent for creation or acquisition of capital asset : NA

   c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. : NA

   d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :NA

10. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act: NA

Details of CSR Expenditure for the financial year 2023-24 : As below

Total amount spent for the financial year : ₹ 633 lacs

Manoj Kumar Jain
Chairman & Managing Director
DIN : 10690782

Chennai
August 14, 2024

ANNEXURE - IX

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
Madras Fertilizers Limited
Manali, Chennai 600 068

This is to certify that :

a. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2024 and that to the best of our knowledge and belief,

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

iv.

	Manoj Kumar Jain	**A Madhan Mohan**
Chennai	Chairman & Managing Director	General Manager(F&A)
August 14, 2024	DIN : 10690782	(Additional Charge)

ANNEXURE – X

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,
MADRAS FERTILIZERS LIMITED
Manali

Chennai – 600 068

We have examined the relevant Registers, Records, Forms, Returns and disclosures Received from the Directors of M/s. MADRAS FERTILIZERS LIMITED, having CIN L32201TN1966GOI005469, and having registered office at Manali Chennai – 600 068, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	SIYA SHARAN	07401363	21/12/2018
2	SAMIEH KOKABI	09066692	10/02/2021
3	MOHAMMAD BAGHER DAKHILI	07704367	18/02/2017
4	BABAK BAGHERPOUR	08341090	23/10/2018
5	SANJAY SHETYE	01089380	31/12/2021
6	JAYANTHI RAGUNATHAN CHAKRAVARTHI	09450350	28/12/2021
7	VENKATARAO NALABOTHU	00310724	05/11/2021
8	JATIN KUMAR MOHANTY	02660442	20/06/2023
9	KRISHNANUNNI JAYACHANDRAN	10062573	01/05/2023
10	ARVIND KUMAR	10117759	10/02/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For V.Esaki & Associates
Company Secretaries

Sd/-
Name V.Esaki
Membership No : 30353

CP No : 11022
UDIN : A030353F000951031
Place : Chennai
Date : 12/08/2024

COMMENTS OF THE COMPROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADRAS FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2024

THE COMPANY IS YET TO RECEIVE THE COMMENTS FROM C&AG AND ON RECEIPT; THE SAME WILL BE CIRCULATED SEPARATELY.

REPLIES TO THE COMMENTS OF THE STATUORY AUDITORS IN THERE INDEPENDENT AUDITORS REPORTS ON THE FINANCIAL STATEMENT OF MADRAS FERTILIZERS LIMITED FOR THE YEAR ENDED 31ST MARCH 2024

Ref.No	Comments of the Statutory Auditor	The Company's Replies under Section 134(3)(f) of the companies Act, 2013
(i)	**Goods and Service Tax (GST) Accounting:** Amount shown under Current Assets in the Balance sheet includes Rs 13.78 Cr. The said sum represents amount considered as recoverable from suppliers / contractors by the company, being the amount of Input Tax Credit (ITC) becoming unavailable for set off against the GST liability on account of non-compliance with the GST regulations on the part of the said suppliers / contractors. The company has correspondingly reduced the said sum of Rs 13.78 Cr in the Input tax credit account in the accounts. The company could not obtain confirmation from the said suppliers / contractors confirming their liability to the company for the payment of the said sum. We are of the opinion that for want of confirmation as stated above, the said sum of Rs 13.78 Cr ought to have been provided for in the statement of Profit & Loss. The non-provisioning of the said sum had resulted in the overstatement of profit by Rs 13.78 Cr with the corresponding overstatement of current assets in the balance sheet.	The company has appointed a consultant for reconciliation of Input Tax Credit (ITC) available in the books of accounts and electronic ledger. The consultant has completed reconciliation for the years 2020-21 to 2022-23. Reconciliation for the years is in progress. The company has identified the list of suppliers who have not filed the GSTR-I and the consequent, credit to the electronic credit ledger who are suppliers at present where the chance of recovery from the payment due to them from current supplies and suppliers having good credit profile. The Company is in the process of recovery of the same from the identified suppliers. The non-regular suppliers or suppliers having negative credit profile, where chance of recovery is less is written off during the year.
(ii)	Attention is drawn to note number 30.7 and 30.8 to the standalone financial statements. As stated in the said note, reconciliation of ITC figures between the books and the electronic credit ledger for the FY 2018-19 & 2019-20 are pending as on the date of balance sheet. Further, the reconciliation of the ITC figures between the books and the figures as appearing in electronic credit ledger (GST portal) for the FY 2017-18 had not been taken up for reconciliation by the company. As stated in the said note, Company holds adhoc provision of Rs 37.57 Cr to meet any shortfall, if any, that may arise on the completion of the reconciliation for the years as stated above. We are unable to express our opinion as to the impact on the non-reconciliation of ITC on the financial results of the company and also on the adequacy or otherwise, of the provision held by the company to meet the shortfall that may arise.	The company is in process of reconciliation of Input Tax Credit (ITC) available in the books of accounts and electronic ledger for the year 2017-18 to 2019-20 and holds adhoc provision of Rs 37.57 Cr to meet the shortfall, which is adequate in the view of the management. There will no impact in the financial statements, once the above corrective action is carried out.

Ref.No	Comments of the Statutory Auditor	The Company's Replies under Section 134(3) (f) of the companies Act, 2013
(iii)	**Non Capitalisation of Borrowing cost :** Our examination of books of accounts and other relevant records has indicated that a sum of Rs 7.68 Cr has been utilised from the working capital facility availed by the company from the bank for the payment towards ammonia energy reduction project which is under development. The said project is included under capital-work-in-progress and is an qualifying asset as per the significant accounting policy laid down by the company for capitalisation of borrowing cost. The company has not complied with the requirements of Ind AS 23 and also the significant accounting policy "H" regarding capitalisation of borrowing cost on borrowed funds resulting in non-capitalisation of borrowing cost of Rs 0.13 Cr. Had the company capitalised the said sum the capital work in progress in the balance sheet would be higher by the said amount of Rs 0.13 Cr with the corresponding increase in the profit in the statement of Profit and Loss by similar amount for current year.	The company is in the process of implementation of energy reduction project in Ammonia plant. The estimated cost for the project is around Rs 600 Cr. The study report of the process licensor received and basic engineering job is in progress. Based on the basic engineering, detailed engineering job and procurement action will be undertaken. The duration of the project is around 2 to 3 years. At the time of implementation of the project, Company will go for specific borrowings for funding the project. At present the payment for the study report is paid form the internal accruals only. The working capital loan is totally used for working purpose only.
Ref. No.	**Comments/Remarks of the Statutory Auditor**	**Management Comments**
Qualified Opinion – Audit Report on Internal Financial Control over Financial Reporting (Annexure–C of the Independent Auditor's Report)		
a)	During the current financial year the company has taken measures for the reconciliation of GST Input Tax Credit claim and reconciliation of the figure as per books and Electronic credit ledger. The reconciliation process has been complete in respect of three FY's 2020-21, 2021-22 & 2022-23 and effect has been given in the books of accounts for the differences notices with regards to eligible ITC claim. The reconciliation of the figure as per books and Electronic ledger for remaining FY's is pending for completion. The outcome of the verification / reconciliation for the remaining years might result in reversal of GST ITC /levy of additional interest for the incorrect utilization of GST ITC, if any. Considering the volume of transaction we are of the opinion that the procedures for Internal Financial Control with regard to compliance with GST regulation needs to be strengthened further to reduce the financial risk and liability that may arise.	During the financial year Company has appointed a Chartered Accountant firm to reconcile the GST ITC recorded in books with GST ITC available in Electronic Credit Ledger the reconciliation has completed for FY's 2020-21, 2021-22, 2022-23 and 2023-24, Company also give effects in books for the reconciliation findings. The balance years the reconciliation is in process, once completed the required effects will be given in the books of account in FY 2024-25. The Company has duly considered the effects of the reconciliation for the above financial years in the books by making entries for the differences pointed out by the GST consultant. In respect of remaining financial year's for which reconciliation is in progress the effect will be given on completion of the reconciliation. The Company will be making suitable improvements to strengthen the internal control procedures to ensure the Company does not incur loss or liability due to lack of control procedures.

Ref.No	Comments of the Statutory Auditor	The Company's Replies under Section 134(3) (f) of the companies Act, 2013
b)	The Company's internal control system for inventory: In our opinion the physical verification conducted by the management is not adequate with regard to coverage, procedures used and frequency of the verification.	The Company appointed an independent Chartered Accountant firm to conduct the internal audit for the reporting period. The internal auditor has conducted the physical verification of inventory for Q1 to Q3 and Company had given effects for the finding of the internal auditor in its book during the year. Further the company is in the process of upgrading its ERP system to SAP based ERP. Once the SAP based ERP system is go on live the shortfall in internal control system of inventory will be addressed. The SAP ERP will be go live in ensuing financial year.

For **Chandran and Raman**
Chartered Accountants
Firm Registration No. 000571S

Sd/-
Priya Ranjan Panda
General Manager
F&A (a/c)

Sd/-
Neeraja Addidam
Chairman & Managing Director
DIN: 09351163

Sd/-
S Pattabiraman
Partner
Membership No.014309

Chennai
Date: 28.05.2024

INDEPENDENT AUDITORS' REPORT

To

The Members of Madras Fertilizers Limited

Report on Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Ind AS financial statements of Madras Fertilizers Limited (referred to as the "Company") which comprises the Balance Sheet as at March 31,2024, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information, 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 Companies Act 2013 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 March 31,2024, the Profit including other comprehensive income, changes in equity and its cashflows for the year ended on that date.

Basis for Qualified Opinion

1. Attention is drawn to Note No 30.7 to the standalone financial statements. As stated in the said note, amount shown under Current Assets in the Balance Sheet includes Rs 13.78 Cr. The said sum represents amount considered as recoverable from suppliers / contractors by the company, being the amount of Input Tax Credit (ITC) becoming unavailable for set off against the GST liability on account of non-compliance with the GST regulations on the part of the said suppliers / contractors. The company has correspondingly reduced the said sum of Rs 13.78 Cr in the Input tax credit account in the accounts. The company could not obtain confirmation from the said suppliers / contractors confirming their liability to the company for the payment of the said sum. We are of the opinion that for want of confirmation as stated above, the said sum of Rs 13.78 Cr ought to have been provided for in the statement of Profit & Loss. The non-provisioning of the said sum had resulted in the overstatement of profit by Rs 13.78 Cr with the corresponding overstatement of current assets in the balance sheet.

2. Attention is drawn to Note No 30.7 & 30.8 to the standalone financial statements. As stated in the said note, reconciliation of ITC figures between the books and the electronic credit ledger for the FY 2018-19 & 2019-20 are pending as on the date of balance sheet. Further, the reconciliation of the ITC figures between the books and the figures as appearing in electronic credit ledger (GST portal) for the FY 2017-18 had not been taken up for reconciliation by the company. As stated in the said note, company holds adhoc provision of Rs 37.57 Cr to meet any shortfall, if any, that may arise on the completion of the reconciliation for the years as stated above. We are unable to express our opinion as to the impact on the non-reconciliation of ITC on the financial results of the company and also on the adequacy or otherwise, of the provision held by the company to meet the shortfall that may arise.

3 Our examination of books of accounts and other relevant records has indicated that a sum of Rs 7.68 Cr has been utilised from the working capital facility availed by the company from the bank for the payment towards ammonia energy reduction project which is under development. The said project is included under capital-work-in-progress and is a qualifying asset as per the significant accounting policy laid down by the company for capitalisation of borrowing cost. The company has not complied with the requirements of Ind AS 23 and also the significant accounting policy "H" regarding capitalisation of borrowing cost on borrowed funds resulting in non-capitalisation of borrowing cost of Rs 0.13 Cr. Had the company capitalised the said sum the capital work in progress in the balance sheet would be higher by the said amount of Rs 0.13 Cr with the corresponding increase in the profit in the statement of Profit and Loss by similar amount for current year.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter:

a. Penal Interest on GOI Loans:

Attention is drawn to the Note "No.30.1 l" to the Standalone Financial Statements, wherein the company has made a request to Government of India for the waiver of the interest and penal interest payable on the GOI loans as part of the revival package. Pending the disposal of the revival package, the Company has considered the penal interest at 2.75%, amounting to Rs.351.68 crores upto the financial year ending 31.03.2024 as Contingent Liability only.

b. Exceptional items:

- Attention is drawn to the Note No.30.28 to the Standalone Financial Statements, regarding the award received Rs 6.32 Cr from Indian Oil Corporation Ltd towards the right to use the said land for laying the pipelines which is considered as an exceptional item of Income.
- Attention is drawn to the Note No.30.28 to the Standalone Financial Statements, regarding the loss of inventory amounting to Rs 56.31 Cr due to floods in Chennai in the month of Dec-23 which is considered as an exceptional item of expenditure.

c. Attention is drawn to our remarks under the Qualified opinion on Internal Financials Controls over Financial Reporting (Annexure C to our report) regarding inadequate controls on the following:

- Reconciliation of GST Input Tax Credit eligible for set off under GST regulation
- Coverage, procedures and frequency of physical verification of inventories

Our opinion is not modified in respect of these matters.

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 for the year ended March 31,2024. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S No	Key Audit Matter	How our Audit procedures addressed the key audit matter
1	**Recognition / de-recognition and measurement of Subsidy income and recoverability of subsidy receivables** *(Refer to Note No.1.G and 18 to the standalone financial statements)* Subsidy income pertaining to Urea is recognised on the basis of the rates notified by the Department of Fertilisers from time to time in accordance with the New Pricing Scheme (NPS) and Nutrient Based Subsidy ('NBS') policy on the quantity of fertilisers sold by the Company. Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management on every reporting date in accordance with the known policy parameters in this regard. During the current year ended March 31,2024, the company has recognised subsidy income of Rs.1,982.95 Crores which constitute significant portion of its revenue from operations. The recognition and realisation of subsidy income depends on the rates and the period for which approval is issued by the GOI. Government Subsidy Receivables forms a significant part of the Company's current assets, amounting to Rs.321.20 Crores as at March 31,2024	Our principal audit procedures adopted in relation to recognition of subsidy income in the accounts for the Financial Year 2023-24 were as under: • We have read the relevant notifications issued by the GOI and discussed with the management, to understand the underlying matters and basis for management judgement and estimates including necessary changes made in estimates to address variations noted in past. Also ascertained the prevailing trade practice in the fertilisers industries for the recognition of Subsidy income; • We examined the statement showing the sales quantity considered for subsidy income to ensure the quantity were correlated with the actual sales made by the Company. We also verified the quantities sold as reflected in the records of the company were in agreement with the quantities reflected in customer acknowledgements as appeared in the IFMS portal of the Department of Fertilisers on a selective sampling basis keeping in view with the concept of materiality and tested the DBT claims (subsidy claim) made by the Company; • We reviewed the accuracy of the management estimate of urea concession price in accordance with relevant New Pricing Scheme and tested the escalation/de-escalation adjustments made; • We assessed the disclosures in the standalone financial statements in this regard; • Review of subsidy receivable from Department of Fertilizer (i.e. Sovereign Authority) is supported by the approved claims generated from IFMS (Integrated Fertilizer Management System); • Subsidy income remaining outstanding over significant period are discussed /enquired with management based on follow-up with Department of Fertilizers, Government of India including basis of management judgement and realisation certainty thereof; Based on the above procedures performed, we ensured that the recognition of Subsidy Income and recoverability of subsidy receivable is in accordance with applicable financial reporting framework and relevant notifications issued by the Department of Fertilizers, GOI and fairly presented in the standalone financial statements.

2.	**Estimation of Provision & Contingent Liabilities** In the recognition and measurement of provisions, there is uncertainty about the timing or amount of the future expenditure required to settle the liability. In respect of contingent liabilities, there are estimates and assumptions made to determine the amount to be disclosed. As at the year ended 31 March 2024, the amounts involved are significant. There is a high degree of judgement required for the recognition and measurement of provisions and disclosure of contingent liabilities. There is a risk of material misstatement that the estimates are incorrect and that the provisions or contingent liabilities are materially misstated.	Our audit procedure included, but was not limited to the following : Analysing the managements internal instructions, process and control for determining and estimating the tax litigations, other litigations and claims and its appropriate accounting and / or disclosure. Discussed the pending matters with the Company's personnel with respect to status of cases of litigation and claims. Assessed management's conclusions through placing reliance upon the expert legal opinions, wherever obtained by the management. We have assessed the adequacy and appropriateness of presentation and disclosure of the Contingent liabilities in the standalone financial statements.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 misstatements, 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 scepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatements 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;

b. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether company has adequate internal financial controls system in place and the operating effectiveness of such controls;

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

e. 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;

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors as in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

Other Matters:

1. The company has eleven (11) Marketing Offices (ie., named as regional offices (RO's) across India, wherein all the sales related matters are being undertaken. As part of our audit, we have visited and reviewed the operations of three (3) of the RO's and the operations of the RO are satisfactory in nature.

2. During the audit, we observed that most of charges already satisfied are still appearing in the records of 'Index of charges' under Ministry of Corporate Affairs (MCA) portal. The company has to take appropriate measures in order to clear the charges which are not live as on date.

3. The company makes provident fund contribution to the trust set up by the company under the name and style "MFL Employees Contributory Provident FundTrust".

   As per the audit report of the Trust, Auditor has qualified his opinion stating that the investment portfolio of the trust includes investments in IL&FS Transportation Network Limited, and SREI Infrastructure amounting to Rs 5.45 Cr and Interest accrued thereon amounting to Rs 1.72 Cr, and the said entities are under the process of insolvency, and no provision is made in the accounts of the Provident Fund Trust for the diminution in the value of the said Investments.

   Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in "Annexure A".

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Our report thereon is enclosed as "Annexure B".

3. Non-Compliance of Composition of Board-SEBI Listing Obligation and Disclosure Requirements (LODR) Regulations, 2015: The Company is not having the required number of Independent Directors on its Board due to vacancy arising out of expiry of term from 6th June,2019 onwards. (Refer Note No. 30.31 to the Standalone Financial Statements)

4. The company has not complied with mandatory requirement of section 203 of the Companies Act 2013, regarding appointment of whole time Company secretary for the entire financial year. Company had the whole time company secretary only till 12.12.2023.

5. 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 and proper adequate returns have been received from all the regional offices of the company;

   c. The Company's Balance Sheet, the Statement of Profit and Loss (incl. Other Comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equitydealt with by this report are in agreement with the books of accounts;

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with The Companies (Indian Accounting Standards) Rules, 2015, as amended thereon.

   e. The provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463 (E) dated 5thJune, 2015 issued by Ministry of Corporate Affairs, Government of India;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such

controls, refer to our separate Report in "Annexure C". Our report expresses a Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015;

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

i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No.30.1to the standalone financial statements;

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

The company is in the possession of the three deposits amounting to Rs.54,000/-, having maturity value of Rs.60,198/- which were seized by the Income Tax department in the course of search and seizure operations carried at the premises of the depositor. The said deposits had matured during 2001, however due to the intimation received from the department, these are neither been en-cashed nor transferred to the fund in accordance with Companies Act,2013.

iv.

a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in these circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The company has not declared and/or paid any dividend during the year in accordance with Sec.123 of the Companies Act, 2013;

vi. The software used by the company, for maintaining its books of account does not have a feature of recording audit trail (edit log) facility. Hence, we are unable to express our opinion on the further requirements as required to be reported under rule 11(g) of companies (Audit and Auditors) Rules, 2014.

For Chandran and Raman
Chartered Accountants
Firm Registration No: 000571S

Place: Chennai
Date: 28.05.2024

(S Pattabiraman)
Partner
Membership No: 014309
UDIN: 24014309BKELAC7392

ANNEXURE – A TO THE AUDITORS' REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of the Company of even dated

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013)

PART-I- DIRECTIONS

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated

   Yes. The company has a system in place to process all the accounting transactions through IT system. However, the transactions relating to marketing activities captured in the IT system of regional offices are reported to HO periodically. The said transactions are reconciled with the corporate accounting module (ie,OLIS), on monthly basis at Head-office. No instances of lack of integrity of the accounts along with the financial implications have been noted during the course of our examination of records.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

   Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of Lender Company).

   According to the information & explanations given to us, there are no instances of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company. The Company has applied to the Government of India for restructuring of its loans availed from Government. The matter relating to restructuring is under progress.

3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

   According to the information and explanations given to us and based on our examination of books of accounts of the company, the company has not received any funds for specific schemes from Central/State Government or its agencies.

SUB-DIRECTIONS

NIL for the current Financial Year

For Chandran and Raman
Chartered Accountants
Firm Registration No: 000571S

Place: Chennai
Date: 28.05.2024

(S Pattabiraman)
Partner
Membership No: 014309
UDIN: 24014309BKELAC7392

ANNEXURE - B TO THE AUDITORS' REPORT

Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company of even dated

Based on the audit procedures performed and information and explanations given to us, we report that:

i. In respect of the Company's Property, Plant and Equipment,

a. The company has maintained proper records showing full particulars with respect to

A. Property, Plant and Equipment including quantitative details and situation thereon and relevant details of right-of-use assets;

B. Intangible asset which is under development;

b. According to the information and explanation given to us, physical verification of Property, Plant and Equipment, has been conducted by the company once during the financial year and there were no material discrepancies noticed on such physical verification undertaken.In our opinion, the frequency of the verification is reasonable, having regard to the size and the magnitude of the organization.

c. The company has clear title deeds of Lands held in its name.

d. During the year, the company has not revalued its Property, Plant and Equipment (Incl. Right of Use assets). Accordingly reporting under this clause does not arise.

e. According to the information and explanation given to us,there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder,

ii. In respect of the Inventories:

a. Physical verification of inventories inside factory premises (excepting stores and spares) and at Chennai Port has been carried out by an independent surveyor at year end.

The stock of finished goods lying atwarehouses isconsidered as per certification given by the management and same were duly confirmed throughthe IFMS portal maintained by Dept. of Fertilizers.

As explained to us, the physical verification of stores and spares was carried out by the management as at the year-endonly and there were no material discrepancies of 10% or more in the aggregate for each class of inventory.

In our opinion the physical verification of inventories conducted by the management is not consistent with the requirements of this clause with regard to reasonable intervals and the coverage and procedure of such verification.

b. The Company has been sanctioned a working capital limit (i.e, both fund and non-fund based facilities) in excess of five crore rupees, in aggregate from banks on the basis of the security of inventories and book debts including GOI subsidy receivable.

On the basis of examination of relevant records, the quarterly returns or statements filed by the company with bank are not in agreement with books of accounts. The particulars of difference is furnished in note no 30.31(g) to the Standalone Financial Statements.

iii. During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or other parties covered under the register maintained under section 189 of the Companies Act, 2013.

Hence, the reporting under the provisions of clause (iii) (a), (b),(c),(d),(e) and (f) of the order are not applicable.

iv. According to the information and explanation given to us, the company has not granted any loans and

advances to the parties coming within the purview of section 185 and 186 of the companies Act, 2013 and hence reporting under this clause is not applicable.

v. The company has not accepted any deposits coming within the purview of definition of deposits as per the provisions of the Companies Act, 2013 and accordingly reporting on the requirements under this clause is not applicable.

vi. The company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act for its fertilizer's products.

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a. The company is generally been regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income-tax, sales tax, and service tax, duty of customs, duty of excise, Goods and Services Tax, Cess and any other statutory dues applicable to it with the appropriate authorities;

There were no outstanding of aforesaid statutory dues as on March 31,2024 for a period of more than six months from the date they became payable except for the following:

Nature of Dues	Amount (Rs.in Crores)
Entry Tax (Tamil Nadu)	2.53
Sales Tax (Pre GST)	0.02
Service Tax (pre GST)	0.26
Employee State Insurance	0.97
GST (RCM)	0.82
Total	4.60

The above does not include a sum of Rs.1.74 Crores, being the amount withheld by the Company for dues by the contractors towards Provident Fund and Employee State Insurance, pending the receipt of communication from the concerned authorities for the demand for the said sum.

b. There were no dues of GST, Income Tax, value added tax, duty of customs, duty of excise and cess which have not been deposited on account of any dispute except in the following cases:

Name of the Statute	Nature of Dues	Amount (In Crores)		Period to which the amount relates	Forum where dispute is pending
		Disputed	Deposited		
Income Tax Act,1961	Income Tax	7.22	-	Assessment Year 2018-19	Commissioner of Income Tax (Appeals)
		1.79	0.08	2017-18	Appeal before Appellate Authority
Goods & Service Tax	GST along with Interest & Penalty - Tamilnadu	111.72	-	2018-19	Before Hon'ble High Court of Madras by way of Writ Petition
		104.44	-	2019-20	Before Hon'ble High Court of Madras by way of Writ Petition
Department's Appeal					
Kerala Value Added Tax Act,2003	VAT	1.71	-	Assessment Year 2009-10	Hon'ble Supreme Court of India
		3.40	-	Assessment Year 2010-11	
Customs Act,1962	Differential Customs Duty, Redemption fine u/s 125(1) & Penalty u/s 114(A)	65.86	0.05	NA	Hon'ble High Court of Madras

viii. We have not come across any transactions that are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the recording of unrecorded income in the books of accounts does not arise.

ix.

a. The Company has not defaulted in repayment of loans or borrowings to any financial institutions, banks, or dues to debenture holders excepting default of repayment of the following Government of India (GOI) Loans:*

Nature of borrowing	Amount of Default (Rs.in Crores)	Whether principal or interest	Period of Default
Plan Loans	411.17	Principal	From FY 2004-05 to till the date
Non-Plan Loans	20.77		
Revamp Loans	122.30		
Total (A)	**554.24**		
Plan Loans	656.76	Interest	From FY 2004-05 to till the date
Non-Plan Loans	42.16		
Revamp Loans	176.64		
Total (B)	**875.56**		
Grand Total (A+B)	**1,429.80**		

b. To the extent of our knowledge, the company has not been declared willful defaulter by any bank or financial institution or government or any government authorities.

c. The company has not availed any term loan from the bank and hence reporting under this clause is not applicable.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short term basis aggregating to Rs. 7.68 Cr for long-term purposes.

e. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting with regard to borrowal of money in order to meet the obligations of its subsidiaries, associates or joint ventures does not arise.

f. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting with relating to borrowal of money on pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.

x. a. The Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the period under audit. Accordingly, reporting under this clause does not arise.

b. During the year, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, reporting under this clause is not applicable to the company.

xi. To the best of our knowledge,

a. No fraud by the company or on the company has been noticed or reported during the year.

b. No report has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government in accordance with section 143(12) of the Companies Act,2013.

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

xii The company is not a Nidhi company. Hence, the reporting under the provisions of clause (xii) (a), (b) and (c) of the order are not applicable.

xiii In our opinion, all the related party transactions during the financial year are in compliance with Section 177 and 188 of Companies Act, 2013 and the details of the said transactions have been disclosed appropriately in the standalone financial statements in accordance with applicable Ind AS.

xiv a. In our opinion and based on our examination, the company has anadequate internal audit system commensurate with the size and nature of its business.

b. We have considered the internal audit reports for the year under audit, issued to the company up to the quarter ending December 2023 in determining the nature, timing and extent of our audit procedures

xv. In our opinion, the company has not entered into any non-cash transactions with directors or persons connected with him during the financial year under Section 192 of the Companies Act, 2013.

xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Accordingly, the reporting under the provisions of clause (xvi) (b) and (c) of the order does not arise.

Further, in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable to the company.

xvii. The company has not incurred any 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 reporting under this clause does not arise.

xix. The Company has accumulated losses amounting to Rs.351.86 Cr (PY.Rs. 449.21 Cr) with a negative net worth of Rs.189.72 Cr (PY.Rs. 287.07 Cr). The current liabilities (which includes Loan from Government of India of Rs 554.24 Crores and interest of Rs 875.57 Crores due on the said loan) exceed its current assets by Rs.754.95 Cr (PY.Rs.739.95 Cr). The company has submitted proposal for restructuring of the loans received from Government of India. However, considering the strategic importance of the industry in which the company operates and constitution of the equity shareholders and stakeholders, the standalone financial statements of the company have been prepared on going concern basis.

On a consideration of the company's accumulated losses and strategic importance as stated above and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements of the company, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date,

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. a. On the verification of books of accounts and other relevant records, it was observed that there were no unspent amount which is required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year.

b. There are no amount remaining unspent in respect of ongoing projects.Accordingly,the company is not under obligation to transfer the unspent amount in respect of ongoing projects, to a Special Account as per sub-section (6) of section 135 of the Act.

xxi. There are no financial results of any other company which have been consolidated with the standalone financial statements of the company and accordingly, requirements as to the reporting under this clause (xxi) does not arise.

For Chandran and Raman
Chartered Accountants
Firm Registration No: 000571S

Place: Chennai
Date: 28.05.2024

(S Pattabiraman)
Partner
Membership No: 014309
UDIN: 24014309BKELAC7392

ANNEXURE – C TO THE AUDITORS' REPORT

Referred to in Paragraph 5(f) under "Report on Other Legal and Regulatory Requirements' section of our report to the Members of the Company of even dated.

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

We have audited the Internal Financials Controls overFinancialReporting of Madras Fertilizers Limited (referred to as the "Company") for the year ended March 31,2024, in conjunction with our audit of the Standalone Ind AS financial statements of the company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 us for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31,2024:

a. During the current financial year the company has taken measures for the reconciliation of GST Input Tax Credit claim and reconciliation of the figures as per books and Electronic credit ledger. The reconciliation process has been completed in respect of three FY's 2020-21, 2021-22 & 2022-23 and effect has been given in the books of accounts for the differences noticed with regard to eligible ITC claim. The reconciliation of the figures as per books and Electronic credit ledger for remaining FY's is pending for completion. The outcome of the verification / reconciliation for the remaining years might result in reversal of GST ITC / levy of additional interest for the incorrect utilisation of GST ITC, if any. Considering the volume of transaction we are of the opinion that the procedures for Internal Financial Control with regard to compliance with GST regulations needs to be strengthened further to reduce the financial risk and liability that may arise.

b. The Company's internal control system for inventory: In our opinion the physical verification conducted by the management is not adequate with regard to coverage, procedures used and frequency of the verification.;

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

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the company has in all material respects, maintains adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31,2024 standalone financial statements of the Company, and these material weaknesses does not affect our opinion on the standalone financial statements of the Company and we have issued an unqualified opinion on the standalone financial statements.

For Chandran and Raman
Chartered Accountants
Firm Registration No: 000571S

Place: Chennai
Date: 28.05.2024

(S Pattabiraman)
Partner
Membership No: 014309
UDIN: 24014309BKELAC7392

BALANCE SHEET
as at March 31,2024

₹. in Crores

Particulars	Note No.	As at March 31st 2024	2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	198.41	190.36
Right of use assets	2.1	0.00	0.07
Capital Work-in-progress	2.2	21.02	11.70
Intangible Asset Under Development	2.3	4.39	1.70
Investment Property	3	1.32	1.33
Financial Assets			
i) Investments	4	454.77	336.99
ii) Loans	4.1.a	20.85	17.90
iii) Other Financial Assets	4.2.a	2.90	1.30
Deferred Tax Assets (net)	5.1.a	0.00	-
Other Non-Current Assets	6	17.53	16.74
Total Non-Current Assets		**721.19**	**578.09**
Current Assets			
Inventories	7	206.25	231.96
Financial Assets			
i) Trade Receivables	8	321.32	503.61
ii) Cash and Cash Equivalents	9	551.14	369.13
iii) Bank Balances other than (ii) above	9.a	12.41	30.02
iv) Loans	4.1.b	0.55	0.47
v) Other Financial Assets	4.2.b	21.65	6.62
Current Tax Assets (net)	5.1.b	4.90	5.54
Other Current Assets	10	168.08	131.32
Total Current Assets		**1286.30**	**1278.67**
Assets held for Sale		0.00	0.00
TOTAL ASSETS		**2007.49**	**1856.76**

BALANCE SHEET
as at March 31,2024

₹. in Crores

Particulars	Note No.	As at March 31st 2024	As at March 31st 2023
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	162.14	162.14
Other Equity	12	(351.86)	(449.21)
Total Equity		**(189.72)**	**(287.07)**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	13.1.a	0.00	0.00
ii) Lease Liabilities	13.2.a	0.00	0.00
Employee Benefit Obligation	14.1.a	46.47	43.16
Deferred Tax Liability (net)	5.1.a	109.09	81.53
Other non-current liabilities	15	0.40	0.52
Total Non-current Liabilities		**155.96**	**125.21**
Current Liabilities			
Financial Liabilities			
i) Borrowings	13.1.b	1583.24	1494.07
ii) Trade Payables	16	283.14	287.69
iii) Lease Liabilities	13.2.b	0.00	0.02
iv) Other Financial Liabilities	13.3	109.92	132.55
Employee Benefit Obligation	14.1.b	12.16	12.12
Other Current Liabilities	17	52.79	92.17
Total Current Liabilities		**2041.25**	**2018.62**
TOTAL EQUITY AND LIABILITIES		**2007.49**	**1856.76**

Significant Accounting Policies and other Notes forming part of Financial Statements 1 to 36

/For and on behalf of Board of Directors/

Neeraja Adidam
Chairman and Managing Director
DIN: 09351163

Dr. K. Jayachandran
Director - Technical
DIN:10062573

Priya Ranjan Panda
Chief Financial Officer &Compliance Officer

/As per our Report of even date/
For **Chandran and Raman**
Chartered Accountants
Firm Regn. No.:00057IS

S Pattabiraman
Partner
Membership No. 014309
UDIN: 24014309BKELAC7392

Place: Chennai
Date: 28/05/2024

STATEMENT OF PROFIT AND LOSS
for the year ended March 31,2024

₹ in Crores

Particulars	Note No.	Year Ended March 31st	
		2024	2023
Revenue			
Revenue from Operations	18	2,228.42	3,447.09
Other Income	19	44.26	14.31
Total Income		**2,272.68**	**3,461.40**
Expenditure			
Cost of Materials Consumed	20	1,648.94	2,486.30
Purchases of Stock-in-Trade	21	10.95	9.54
Changes in Inventories	22	(34.56)	48.42
Operating and Maintenance Expenses	23	356.92	448.51
Employee Benefits Expense	24	102.30	105.60
Finance Costs	25	72.21	78.19
Depreciation and Amortization Expense	26	10.29	9.59
Other Expenses	27	43.77	26.59
Total Expenses		**2,210.82**	**3,212.74**
Profit/(Loss) before Exceptional items and Tax		**61.85**	**248.66**
Exceptional Items		(49.99)	-
Profit/(Loss) after Exceptional items and Tax		**11.86**	**248.66**
Profit/(Loss) before Tax		**11.86**	**248.66**
Current Tax		5.00	58.00
		0.39	3.71
Deferred Tax		0.91	1.62
Tax Expenses /(Income)		**6.30**	**63.33**
Profit/(Loss) for the Year (A)		**5.56**	**185.33**
Other Comprehensive Income (Net of Tax) ('OCI')			

STATEMENT OF PROFIT AND LOSS
for the year ended March 31,2024

₹ in Crores

Particulars	Note No.	Year Ended March 31st	
		2024	2023
Items that will not be reclassified to Profit or Loss:			
Fair Value Change of Non-Current Investments	28	117.59	86.30
Re-measurements of defined benefit obligation	28	0.85	1.44
Less: Tax (expenses)/benefit on the above	28	(26.65)	(54.73)
Total Other Comprehensive Income (B)		**91.79**	**33.00**
Total Comprehensive Income (A+B)		**97.36**	**218.33**
Earnings per Equity Share(EPS):			
Equity Shares of par value Rs.10/- each			
Basic and Diluted EPS per share		0.35	11.50
Number of Shares used in computing earning per share		161,101,300	161,101,300

Significant Accounting Policies and other Notes forming part of Financial Statements 1 to 36

/For and on behalf of Board of Directors/

Neeraja Adidam
Chairman and Managing Director
DIN: 09351163

Dr. K. Jayachandran
Director - Technical
DIN:10062573

Priya Ranjan Panda
Chief Financial Officer &Compliance Officer

/As per our Report of even date/
For **Chandran and Raman**
Chartered Accountants
Firm Regn. No.:00057IS

S Pattabiraman
Partner
Membership No. 014309
UDIN: 24014309BKELAC7392

Place: Chennai
Date: 28/05/2024

STATEMENT OF CASH FLOW
for the year ended March 31,2024

₹ in Crores

	Particulars	Year Ended March 31st 2024	2023
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax from Continuing Operations	11.86	248.66
	Add/(Less) Adjustment for :		
	Depreciation and Amortization Expense	10.30	9.59
	Finance Costs	71.23	78.16
	Interest Income	(25.62)	(6.88)
	Dividend Income	(1.11)	(0.95)
	Income from Investment Properties	(3.73)	(4.64)
	Provision No Longer required/Written Back of Accounts	(11.01)	(0.23)
	Provisions made during the year	0.00	1.76
	Loss on derecognition of Property Plant and equipment	0.99	0.00
	(Profit)/Loss on sale of Property, Plant and Equipment & Asset held for sale	0.00	(0.01)
	Operating Cash Flow before Working Capital Changes	**52.91**	**325.46**
	Adjustment for :		
	(Increase)/Decrease in Inventories	25.71	51.78
	(Increase)/Decrease in Trade Receivables	182.30	480.03
	(Increase)/Decrease in Loans & Advances	(3.04)	(3.61)
	(Increase)/Decrease in Other Assets	(36.31)	(22.88)
	Increase/(decrease) in Provisions	3.35	(12.43)
	Increase/(decrease) in Trade Payables	(4.55)	(9.59)
	Increase/(decrease) in Other Liabilities	(51.12)	(63.39)
	Cash Generated from Operations	**169.25**	**745.37**
	Direct Tax paid (Net of refunds)	(5.02)	(58.00)
	Net Cash from Operating Activities	**164.23**	**687.37**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment	(14.79)	(0.78)
	(Increase)/Decrease in Capital Work in Progress	(16.79)	(9.91)
	Interest Received (Gross)	25.62	6.89
	Income from Investment Properties	3.73	4.64
	Dividend Income	1.11	0.95
	Proceeds from sale of Property, Plant and Equipment	0.02	0.02
	Net Cash from Investing Activities	**(1.10)**	**1.81**

₹ in Crores

Particulars		Year Ended March 31st 2024	2023
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net proceeds from Term Borrowings	0.00	(1.06)
	Net proceeds from Financial Assets	0.00	0.00
	Net proceeds from Working capital and Short-term borrowings	34.59	(294.35)
	Repayment of Lease Liability	(0.02)	(1.10)
	Interest Paid	(15.67)	(23.55)
	Net Cash from Financing Activities	**18.90**	**(320.06)**
	ABSTRACT		
	(A) Net Cash from Operating Activities	164.22	687.39
	(B) Net Cash from Investing Activities	(1.10)	1.79
	(C) Net Cash used in Financing Activities	18.89	(320.05)
	Net Increase/(Decrease) in Cash and Cash Equivalents	**182.01**	**369.13**
	Cash and Cash Equivalents at the beginning of the year	369.13	0.00
	Cash and Cash Equivalents at the end of the year	**551.14**	**369.13**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Cash on Hand	0.00	0.00
	Balance with banks:		
	in Current and Cash Credit Accounts	0.01	0.01
	in Term Deposits with less than 12 months maturity	551.13	369.12
	Total Cash and Cash equivalents	**551.14**	**369.13**

Significant Accounting Policies and other Notes forming part of Financial Statements 1 to 36

Notes:
1. Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7 Statement of Cash Flows.
2. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.
3. Figures in brackets indicate cash outflows.

/For and on behalf of Board of Directors/

Neeraja Adidam
Chairman and Managing Director
DIN: 09351163

Dr. K. Jayachandran
Director - Technical
DIN:10062573

Priya Ranjan Panda
Chief Financial Officer &Compliance Officer

/As per our Report of even date/
For **Chandran and Raman**
Chartered Accountants
Firm Regn. No.:00057IS

S Pattabiraman
Partner
Membership No. 014309
UDIN: 24014309BKELAC7392

Place: Chennai
Date: 28/05/2024

STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31,2024

₹ in Crores

A) Equity Share Capital

Particulars	No.of Shares	Amount
Balance as at April 1,2022	**161,101,300**	**161.10**
Changes during the year	-	-
Balance as at March 31,2023	**161,101,300**	**161.10**
Changes during the year	-	-
Balance as at March 31,2024	**161,101,300**	**161.10**

B) Other Equity

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	Equity Instruments through OCI	Equity
Balance as at April 1,2022	12.39	(908.82)	228.90	(667.54)
Profit/(Loss) for the Year (2022-23)	-	185.33	-	185.33
Other Comprehensive Income (Net of tax)	-	1.39	31.62	33.01
Total Comprehensive Income for the year	**-**	**186.72**	**31.62**	**218.34**
Balance as at March 31,2023	12.39	(722.10)	260.52	(449.21)
Balance as at April 1,2023	**12.39**	**(722.10)**	**260.52**	**(449.21)**
Profit/(Loss) for the Year (2023-24)	-	5.56	-	5.56
Other Comprehensive Income (Net of tax)	-	-	91.79	91.79
Total Comprehensive Income for the year	**-**	**5.56**	**91.79**	**97.35**
Balance as at March 31, 2024	**12.39**	**(716.54)**	**352.31**	**(351.85)**

Significant Accounting Policies and other Notes forming part of Financial Statements 1 to 36

/For and on behalf of Board of Directors/

Neeraja Adidam
Chairman and Managing Director
DIN: 09351163

Dr. K. Jayachandran
Director - Technical
DIN:10062573

Priya Ranjan Panda
Chief Financial Officer &Compliance Officer

/As per our Report of even date/
For **Chandran and Raman**
Chartered Accountants
Firm Regn. No.:00057IS

S Pattabiraman
Partner
Membership No. 014309
UDIN: 24014309BKELAC7392

Place: Chennai
Date: 28/05/2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED MARCH 31, 2024

Corporate Information

Madras Fertilizers Limited ("MFL" or "the Company"), is a Public Sector Undertaking ('PSU') under the administrative control of the Department of Fertilizers ('DOF'), Ministry of Chemicals& Fertilizers, Government of India ('GOI') and is registered under the erstwhile Companies Act, 1956 with its registered office located at Manali industrial area, Chennai -600 068.

The Company's equity shares are listed on the National Stock Exchange ('NSE'). MFL is engaged in the manufacture of Urea and Complex Fertilizers. It is also engaged in manufacturing Bio-fertilizers and trading eco-friendly Agro Chemicals, Organic Manure and City Compost under the brand name 'Vijay'.

Basis of preparation and Statement of compliance

a. These financial statements have been prepared in accordance with applicable Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and the relevant provisions of the Act and Rules thereunder, as amended time to time.

b. The financial statements have been prepared on a going concern basis, using the historical cost basis and on accrual method of accounting except for the items which are specifically indicated in the concerned accounting policies.

c. These financial statements are prepared in Indian Currency (INR) which is also the company's functional currency. All amounts disclosed in the financials have been rounded-off to the nearest crores unless otherwise stated.

d. Fair Value Measurement:

The Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. In cases where fair values are to be computed by third parties, the Company assesses the evidence obtained by such third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant Accounting Policies

A. Property, Plant and Equipment (PPE):

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Spare Parts are capitalized when they meet the definition of PPE.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other gains/(losses).

Capital Work in progress consists of costs incurred on projects and other capital works under feasibility/ commission stage. Cost includes expenses attributable to the work-in progress. Advances paid towards acquisition of Property, Plant and Equipment outstanding at each Balance sheet date is classified as capital advances under 'Other non-current assets. Assets under construction/Capital Work in Progress included under Property, Plant and equipment are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

Depreciation:

Depreciation on property, plant & equipment provided for under Straight Line Method in conformity with the estimated useful life as specified in Schedule II to the Companies Act, 2013 other than Plant & Equipment. In respect of plant and equipment, the depreciation is provided estimating the useful life as detailed hereunder.

Life Extension of Plant and Equipment:

With the feedstock conversion from Naphtha to RLNG, a technical assessment of the useful life of plant and machinery was made. As a result of the said assessment, the useful life of Plant and Equipment was extended for a further period of 15 years (except for NPK Plant which has an extended life of 10 years) from 01.04.2021 and depreciation is provided on the extended useful life of the plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Assets costing less than INR 5,000 are capitalized and charged to the statement of profit and loss in the year of purchase by retaining a residual value of INR 1.

In respect of plant and equipment, buildings, roads & bridges and railway siding and capital spares, residual value is considered at 5% of the cost and INR 1 in respect of other property, plant and equipment include asset acquired out of Govt Grant.

In the year of commissioning / retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

De-recognition

An item of property, plant & equipment and intangible assets, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

A. Intangible Asset:

Recognition and Measurement: Intangible assets acquired separately are measured on initial recognition at cost, net of recoverable taxes. Intangible assets are measured on initial

recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Computer Software	10 Years
Other intangible assets	5-10 Years

The estimated useful life is reviewed annually by the management. The Company has no intangible assets with infinite useful lives.

Expenditure on internally generated intangibles, excluding development costs, is not capitalized and is reflected in Statement of Profit and Loss in the period in which such expenditure is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Cost incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalized as Intangible Asset and amortised based on technical evaluation or 10 year whichever is lower from the date when such software/ licenses are capitalised. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development"

B. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of its value in use and its net selling price. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

C. Leases:

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

Transition:

Effective April 01, 2019, the company adopted Ind AS 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognised on the date of initial application. Accordingly, company has not restated comparative information and recognised right of use assets at an amount equal to lease liability.

Company as a Lessee:

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

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term. 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 not readily determinable, using the Company's incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

Company as a Lessor:

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income over the lease term on a straight-line basis.

D. Investment properties:

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs and borrowing cost capitalised for qualifying assets, in accordance with the Company's accounting policy.

Depreciation is recognised using straight-line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land is not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on

derecognition of property is recognised in the Statement of Profit and Loss in the same period.

E. Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured goods (finished goods) and work in progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

The method of determination of cost of various categories of inventories is as follows:

1. Raw materials and packing materials-FIFO;
2. Stores and Spares and Catalyst (yet to be issued) – Monthly Moving Weighted Average Cost;
3. Finished goods – At Cost or NRV whichever is lower
4. Work-in-process (including Ammonia and Manufactured Bulk Urea) – Cost of production. Which comprises of direct material costs, direct wages and applicable overheads.;
5. Traded goods– FIFO;
6. Goods in transit/under inspection are valued at cost;
7. Off-Spec Manufactured products are Estimated at Net Realizable values.

Catalyst issued to production is charged off over its useful life as assessed by the Technical Department.

Net realizable value represents the estimated selling price, including subsidy income where ever applicable, of inventories less all estimated costs of completion and costs necessary to make the sale.

Non-moving/obsolete stores and spares: The Technical Committee will review the spares once a year and shortlist such spares as are considered obsolete / non moving, the same is written off from the books with due approvals of the Board. Provision for obsolete / non-moving stores and spares are made upon the review by the Technical Committee once in a year, to reflect the impact of obsolescence, damage or other diminution in value of such items.

F. Revenue Recognition:

Revenue from sale of goods is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Sale of Goods

Revenue from sale of goods including subsidies is recognised upon transfer of the control over the goods to the customers. The performance obligation in case of sale of goods is satisfied at a point in time i.e., when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.

Accounting of Subsidy

The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the notified policies.The subsidy so recognised by the company is considered under 'Revenue from Operations'.

Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.

Other Income:

a. Income from rentals for properties given on lease to third parties are recognized on accrual basis.

b. All other claims are recognized when there is a reasonable certainty of recovery.

G. Government Grants (Subsidy from GoI):

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets or deducting in the carrying amount of the respective assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable in accordance with the notified policies as under:

i. Subsidy due on urea sales is recognised on the basis of the rates notified from time to time by the Government of India on the quantity of fertilisers sold by the Company for the period for which notification has been issued after adjusting for increase /decrease on account of annual escalation/ de-escalation in input prices as estimated by the Management considering the policy parameters and norms prescribed from time to time. Adjustments are effected in respect of difference, if any, in the Statement of Profit and Loss for the year in which the final notification is received from the Government of India by carrying out the said adjustments in the subsidy income for the current year

ii. Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India under Nutrient Based Subsidy (NBS) Scheme from time to time on the quantity of fertilisers sold by the Company for the period for which notification has been issued;

iii. Uniform freight subsidy on Urea, P&K fertilizers and Imported Urea has been accounted in accordance with the parameters and notified rates;

iv. Subsidy on City Compost is recognized based on rates, as notified by the Government of India

v. Special Compensation due on conversion of feedstock to LNG is recognised in accordance with the the policy and guidelines notified by Government of India

H. Borrowing Costs:

General and Specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

I. Foreign Currency Translation:

Functional and Presentation Currency:

Items included in the financial statement of the Company are measured using currency of the primary economic environment in which the entity operates ('the functional currency'). India being the primary economic environment of the Company, the Financial Statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions and Balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Profit or Loss.

J. Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in statement of profit and loss.

Financial Assets:

At initial recognition trade accounts receivables (in accordance with Ind AS 115) are measured at their transaction price.

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

Investments in equity instruments are recognized and subsequently measured at fair value. The Company's equity investments are not held for trading. In general, changes in the fair value of equity investments are recognized in the income statement. However, at initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic equity investments in other comprehensive income (loss) ("OCI").

Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage. Restricted cash and bank balances are classified and disclosed as other bank balances.

Financial Assets at Amortised cost:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit and loss and is included in the "Other income" line item.

Financial Assets at FVOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company

manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in statement of profit and loss are included in the 'Other income' line item.

Financial Assets at FVTPL:

Financial assets at FVTPL include financial assets that are either do not meet the criteria for amortised cost classification or that are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of Financial Assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or another financial asset. The expected credit loss approach requires that all impacted financial assets will carry a loss allowance based on their expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses over the contractual life of the financial assets.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

The impairment provisions for trade receivables are based on reasonable and supportable information including historic loss rates, present developments such as liquidity issues and information about future economic conditions, to ensure foreseeable changes in the customer-specific or macroeconomic environment are considered.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities:

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange

with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

K. Fair Value Measurement:

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. Fair value measurement is the use of fair value (i.e., 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 in measuring the assets and liabilities of an entity. The Company opts to follow fair value measurement as per Ind AS 113 viz, in respect of financial assets and financial liabilities as stated in the notes no. 1.2;

L. Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The Company did not have any potentially dilutive securities in the years presented.

M. Employee Benefits:

Short term employee benefits:

Short term employee benefits includes wages, salaries, incentives, short term leave salary etc The liability towards employee benefits over and above the emoluments payable as per the terms and conditions of the employment are reckoned as a liability in the year in which the approval for the said benefits is approved by the competent authority.

Post-employment benefits:

a. Defined Contribution Plans:

Contributions paid/payable to defined contribution plans comprising of Superannuation and Provident Funds for employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

b. Defined benefit plans:

Contributions towards gratuity and provident fund trust are considered as defined benefit plans and provided for in accordance with the Guidelines issued by Department of Public Enterprises. Out of the defined benefit plans in the Company only gratuity is a funded defined benefit plan.

The Company makes Provident fund contributions to the Trust set up by the company, at a specified percentage of the employees' salary. The rate at which the annual interest is payable to the beneficiaries by the trust is being administrated by the government. The company has an obligation to make good the short fall, if any, between the return from the investment of the trust and the notified interest rate.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed annually by an independent actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense / income, service cost and other expenses related to defined benefit plans are recognized in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain / loss on curtailment is recognized immediately in the statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Other long-term employee benefits:

Benefits under the Company's earned leave, post-retirement medical benefits and service awards constitute other long term employee benefits and are recognized based on an actuarial valuation using the projected unit credit method. These actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

N. Income Taxes:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

O. Non-Current Assets held for Sale:

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale".

Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. The same are not depreciated or amortized while they are classified as held for sale.

Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for Sale" criteria.

P. Operating Segments:

In accordance with Ind AS 108 Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The CMD is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Q. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset 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 entity. Contingent assets are not recognized. They are disclosed only when an inflow of economic benefit is probable from such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

R. Exceptional Items:

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

S. Current and Non-Current classification:

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 Presentation of Financial Statements.

Operating cycle : Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

T. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed under Ind AS 7 Statement of Cash Flows.

Cash flows are reported using the indirect method, whereby profit / (Loss) for the period is adjusted for the effects of transactions of a non-cash nature, any

deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities on the date of the financial statements and the reported amount of income and expense during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in future periods. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

Rs. in Crores

2 : Property, Plant and Equipment

Particulars	Land	Buildings	Road, bridges and other facilities	Railway Siding	Plant & Machinery	Automotive and service equipment	Lab equipment	Office equipment	Furniture and fittings	Air Conditioner & Water Coolers	Total
Gross Block											
Balance as on April 1,2022	0.58	9.59	3.33	0.53	310.50	2.27	3.19	5.08	0.72	0.61	336.40
Additions	-	1.09	-	-	9.89	-	-	0.03	-	-	11.01
Deletions/Adjustments	-	0.01	-	-	-	0.03	0.02	-	0.01	0.02	0.09
Reclasified as held for sale		-	-	-	-	-	-	-	-	-	-
Balance as on March 31,2023	**0.58**	**10.67**	**3.33**	**0.53**	**320.39**	**2.24**	**3.17**	**5.11**	**0.71**	**0.59**	**347.32**
Additions	-	-	-	1.79	16.61	0.41	-	0.43	-	0.03	19.27
Deletions/Adjustments	-	2.83	-	-	0.26	0.04	-	0.02	0.04	0.02	3.21
Reclassified as held for sale/ Investment Property	-	-	-	-	-	-	-	-	-	-	-
Balance as on March 31,2024	**0.58**	**7.84**	**3.33**	**2.32**	**336.74**	**2.61**	**3.17**	**5.52**	**0.67**	**0.60**	**363.38**
Depreciation/Amortisation											
Balance as on April 1,2022	-	2.55	1.89	0.11	134.87	1.22	1.89	4.55	0.41	0.27	147.76
Additions	-	0.54	0.46	0.03	7.64	0.13	0.19	0.15	0.08	0.06	9.28
Deletions/Adjustments	-	-	-	-	-	0.03	-	0.02	0.01	0.02	0.08
Balance as on March 31,2023	**-**	**3.09**	**2.35**	**0.14**	**142.51**	**1.32**	**2.08**	**4.68**	**0.48**	**0.31**	**156.96**
Additions	-	0.53	0.33	0.03	8.68	0.19	0.15	0.19	0.07	0.05	10.22
Deletions/Adjustments	-	1.86	-	-	0.25	0.04	-	0.02	0.03	0.01	2.21
Balance as on March 31,2024	**-**	**1.76**	**2.68**	**0.17**	**150.94**	**1.47**	**2.23**	**4.85**	**0.52**	**0.35**	**164.97**
Net Block											
As at March 31,2023	0.58	7.58	0.98	0.39	177.88	0.92	1.09	0.43	0.23	0.28	190.36
As at March 31,2024	0.58	6.08	0.65	2.15	185.80	1.14	0.94	0.67	0.15	0.25	198.41

Notes:

a) The Company has elected the previous GAAP carrying amounts as deemed cost on the date of transition for Property, plant & equipment. Hence, net block as at March 31, 2016 is considered as opening gross block as at April 1, 2016.

b) Land Includes: ₹.12 Cr being payment for 297.75 acres out of 329.40 acres handed over to the Company by the Tamilnadu Government and is subject to communication of final value by the Government. Howerver Govt. of Tamilnadu has demanded a sum of Rs 0.43 Crs towards the Balance Land of 31.65 acres which is shown under Contingent Liability.

c) Includes ₹.08 Cr representing 5/24 share of total cost of the Railway Siding commonly used by Chennai Petroleum Corporation Limited, Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.

d) As indicated in the significant accounting policy, the useful life of the Plant & Equipment was extended for a period of 15 years (other than NPK Plant which has an extended life of 10 years) w.e.f 01.04.2021 consequent upon the technical assessment of the useful life of the Plant & Equipment on conversion of feedstock from Naptha to RLNG. The depreciation on Plant & Equipment includes Rs.8.60 crores which has been provided taking into consideration the revised estimated life.

e) The land measuring 550 meters of length and 46 meters of breath (550X46) has been used by TANTRANSCO for erecting 400 KV DC transmission line. The project is conceived by TANTRANSCO for public purpose. The cost of said land per PPE is ₹. 23,169/-

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

2.1 : Right of use assets

Particulars	Land
Gross Block	
Balance as on April 1,2022	1.71
Additons	-
Deletions/Adjustments	-
Reclasified as held for sale	-
Balance as on March 31,2023	**1.71**
Additons	-
Deletions/Adjustments	-
Reclasified as held for sale	-
Balance as on March 31,2024	**1.71**
Depreciation/Amortisation	
Balance as on April 1,2022	1.33
Additons	0.31
Deletions/Adjustments	-
Balance as on March 31,2023	**1.64**
Additons	0.07
Deletions/Adjustments	-
Balance as on March 31,2024	**1.71**
Net Block	
As at March 31,2023	0.07
As at March 31,2024	-

3: Investment Property

Particulars	Land	Buildings
Gross Block		
Balance as on April 1,2022	1.27	0.33
Additons	-	-
Deletions/Adjustments	-	-
Reclasified as held for sale	-	-
Balance as on March 31,2023	**1.27**	**0.33**
Additons	-	-
Deletions/Adjustments	-	-
Reclasified as held for sale	-	-
Balance as on March 31,2024	**1.27**	**0.33**
Depreciation/Amortisation		
Balance as on April 1,2022	-	0.26

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Investment Property

Particulars	Land	Buildings
Additons	-	0.01
Deletions/Adjustments	-	-
Balance as on March 31,2023	**-**	**0.27**
Additons	-	0.01
Deletions/Adjustments	-	-
Balance as on March 31,2024	**-**	**0.28**
Net Block		
As at March 31,2023	1.27	0.06
As at March 31,2024	1.27	0.05

₹ in Crores

	Particulars	As at March 31st 2024	2023
2 :	**Property, Plant and Equipment**		
	Gross Block	1,112.34	1,096.28
	Less: Depreciation	(913.93)	(905.92)
	Net Block	**198.41**	**190.36**
2.1 :	**Right of use assets**		
	Land	1.71	1.71
	Less: Depreciation	(1.71)	(1.64)
	Total	**0.00**	**0.07**
2.2 :	**Capital Work-in-progress**		
	(Refer Note No.29 (A) (i))		
	Capital Work in Progress -Tangible Assets		
	Balance as at beginning of the year	11.69	13.76
	Add: Additions * during the year	16.79	8.21
	Less: Transfer to Property, Plant and Equipment (Note 2)	(7.17)	(10.22)
	Less: Other Allocation/ Adjustment during the year,if any	(0.29)	(0.05)
	Less: written off/de-recognised during the year,if any	-	-
		21.02	11.70
	Capital Goods in Transit		
	Balance as at beginning of the year	-	-
	Add: Additions during the year	-	-
	Less: Transfer to Property, Plant and Equipment (Note 2)	-	-
		-	-
	Total	**21.02**	**11.70**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

2.3:	**Intangible Asset under development**		
	Balance as at beginning of the year	1.70	-
	Add: Additions* during the year	2.69	1.70
	Less: Transfer to Property, Plant and Equipment (Note 2)	-	-
		4.39	**1.70**
4 :	**Financial Assets -Investments**		
	Unquoted Equity Instruments at FVTOCI		
	(a) Indian Potash Limited	453.45	335.93
	15,84,000 Equity Shares (P.Y 15,84,000) of ₹ 10 each fully paid.		
	(b) Fortune Bio-Tech Ltd	1.32	1.25
	12,50,000 Equity shares (P.Y 12,50,000) of ₹ 10 each fully paid.		
	Less: Expected Credit Loss Allowance	-	(0.19)
		1.32	1.06
	Total	**454.77**	**336.99**
	Aggregate Amount of unquoted investments	454.77	336.99
	Aggregate Amount of impairment in value of investments	-	-
4.1.a :	**Loans (Non-current)**		
	Advances to Employees		
	Considered good- Unsecured	20.85	17.90
	Total	**20.85**	**17.90**
4.1.b :	**Loans (Current)**		
	Advances to Employees		
	Considered good- Unsecured	0.55	0.47
	Total	**0.55**	**0.47**

	Particulars	**As at March 31st**	
		2024	**2023**
4.2.a :	**Other Financial Assets (Non-current)**		
	Rental Deposits	0.28	0.28
	Income Tax Refunds	2.61	1.02
	Total	**2.89**	**1.30**
4.2.b :	**Other Financial Assets (Current)**		
	Receivables towards Rent/Services	0.87	0.70
	Receivables towards Asset held for Sale	2.78	1.24
	Accured Interest Bank	11.52	-
	Claims recoverable	7.87	6.26
	Less: Expected Credit Loss Allowance	(1.39)	(1.58)
	Total	**21.65**	**6.62**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	As at March 31st 2023
5.1.a :	**Deferred Tax Assets/(Liability) (Net)**		
	A.Deferred Tax Asset		
	i.Expenditure allowable on payment basis	16.00	15.32
	ii.Other timing differences	-	-
	iii. Unabsorbed tax lossess	-	-
	TOTAL	**16.00**	**15.32**
	B.Deferred Tax Liability		
	i. Depreciation	23.96	22.51
	ii. Fair Value of Investments	101.13	74.32
	iii.Other timing differences	-	0.02
	TOTAL	**125.09**	**96.85**
	Total	**(109.09)**	**(81.53)**
5.1.b :	**Current Tax Assets/(Liability) (Net of Provision)**		
	Advance Income Tax	6.80	62.93
	Tax Deducted at Source	3.10	0.61
	Less:		
	Provision for Taxation	(5.00)	(58.00)
	Total	**4.90**	**5.54**
6 :	**Other Non-Current Assets**		
	Deposits with government departments and others	17.53	16.74
	Balances with customs, port trust and excise authorities	-	-
	Total	**17.53**	**16.74**
7 :	**Inventories**		
	For Operations		
	(a) Raw materials	28.72	42.24
	Add : Raw materials in transit		
		28.72	**42.24**
	(b) Work in progress	76.21	79.47
	(c) Finished goods		
	- Fertilizers	8.96	14.94
	- Agro Chemicals		
	(d) Stores and Spares	82.33	83.47
	Add: Stores in transit	1.21	5.99
		83.54	89.46
	(e) Loose tools		

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	2023
	(f) Catalysts		
	- In use	0.54	0.89
	- Not in use (available in Stores)	2.26	1.55
	(g) Packing Materials	6.02	3.41
	Total	**206.25**	**231.96**
8 :	**Trade Receivables (Current)**		
	(Refer Note No.29 (A) (ii))		
	Towards Subsidy		
	(a) Considered Good Unsecured*	321.20	492.80
	Towards Sale of Goods		
	(a) Considered Good Secured	0.11	10.81
	(b) Considered Good Unsecured		
	(c) which have significant increase in credit risk		
	(d) Credit Impaired	3.73	3.81
		3.84	14.61
	Less: Expected Credit Loss Allowance	(3.73)	(3.81)
		0.11	**10.81**
	Total	**321.31**	**503.61**

The above sum includes ₹ 170.14 Cr. eligible subsidy realisble on stock of Urea, NPK and city compost remaining unsold with dealers as at the Year end.

Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

9 :	**Cash and Cash Equivalents**		
	Cash on hand	0.00	0.00
	Balances with Banks		
	In Current Account	0.01	0.01
	In Deposit Account (Maturity < 3 months)	551.13	369.12
	Total	**551.14**	**369.13**
9.a :	**Bank Balances other than Cash and Cash Equivalents**		
	Margin Money Depsoits	12.41	30.02
	Total	**12.41**	**30.02**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	As at March 31st 2023
10 :	**Other Current Assets**		
	Unsecured, considered good unless otherwise stated		
	Prepaid expenses	14.25	12.68
	GST Input Credit	173.93	165.36
	Advances to Suppliers,Employees,etc.,	3.67	1.61
	Dismantled/Scrapped Assets	0.02	0.00
	Recoverable from Vendor - GST ITC	13.78	-
		205.65	179.65
	Less: Provision for un-utilized GST ITC	(37.57)	(48.33)
	Total	**168.08**	**131.32**
	Assets Held for Sales	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	2023
11 :	**Equity Share Capital**		
	Authorised :	365.00	365.00
	17,50,00,000 Equity Shares of Rs.10/- each	175.00	175.00
	19,00,00,000 Preference Shares of Rs.10/- each	190.00	190.00
	Issued, Subscribed and paid-up :		
	16,11,01,300 Equity Shares of Rs.10/- each fully paid up	161.10	161.10
	Forfeited Shares:		
	20,76,600 Equity Shares of Rs.5/- paid up	1.04	1.04
	Total	**162.14**	**162.14**

a) Rights, preferences and restriction relating to each class of share capital:

Equity shares: The Company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares: The Company has a class of preference shares having face value of Rs.10 per share with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the company.No such preference shares are issued and outstanding as of March 31, 2024 (2023: Nil)

b) Particulars of shareholders holding more than 5% shares of equity shares

Equity shares of ₹ 10 each fully paid-up held by -	**No.of Shares(%)**	**No.of Shares(%)**
Promoter		
Hon'ble President of India	95851700 (59.50%)	95851700 (59.50%)
Others		
Naftiran Intertrade Co. Ltd	41516500 (25.77%)	41516500 (25.77%)
Public (collectively)	25809700 (14.73%)	25809700 (14.73%)
No % change in the share holding of promoters		

12 :	**Other Equity**		
	Other Reserves:		
	Securities premium*		
	Opening balance	12.39	12.39
	Addition / (utilization) during the period		
	Closing balance	**12.39**	**12.39**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	As at March 31st 2024	2023
Retained Earnings		
Opening Balance	(722.10)	(908.82)
Add: Profit/ (Loss) for the year	5.55	185.33
Add: Other Comprehensive Income recognized directly in Retained Earnings	-	1.38
Closing balance	**-716.55**	**-722.11**
Other Comprehensive Income		
Opening Balance	260.51	228.89
Add/(Less) : During the year	91.79	31.62
Closing balance	**352.30**	**260.51**
Total	**(351.86)**	**(449.21)**

*Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013

13.1.a :	**Financial Liabilities -Borrowings (Non-current)**		
	Unsecured loans		
	Government of India ('GOI') loan	-	-
	Term Loans from Bank	-	-
	Total	-	-
13.1.b :	**Financial Liabilities -Borrowings (current)**		
	Secured Loans		
	Cash credit from banks	153.43	118.84
	Buyer's Credit	-	-

(Secured by hypothecation of inventories and book debts including GOI subsidy receivable with first charge on plant and machinery and an equitable mortgage on the land at Manali both present and future.)

Unsecured Loans		
GOI loan - current portion:		
- Principal	554.24	554.24
- Interest accrued and due	875.57	820.99
Term Loans from Bank	-	-
Total	**1,583.24**	**1,494.07**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	As at March 31st	
	2024	2023

GOI loans are obtained for revamp which is specifically to be used for the revamp of plant used to manufacture fertilizers, plan loan which is used for capital expenditure and non plan loans for the working capital needs of the Company. These are unsecured in nature. The loan carries a fixed rate of interest as below:

-Revamp loan - 7%

-Plan loan - I Tranch @ 7%, II Tranch @ 12.50% and III Tranch @ 11.50%

-Non plan loan - I Tranch @ 7% and II Tranch @ 15.50%

The said loans were availed in the period 2003 to 2012 and are repayable in 10 equal annual instalments which begin after a moratorium period of 2 years. The current portion of GOI loans due within one year have been disclosed under Note 13.1.b

13.2.a :	**Lease Liabilities (Non-current)**		
	Land	-	-
	Total	**-**	**-**
13.2.b :	**Lease Liabilities (Current)**		
	Land	-	0.02
	Total	**-**	**0.02**
13.3 :	**Other Financial Liabilities (Current)**		
	Interest accrued but not due on loans	15.55	15.55
	Statutory Dues	14.32	11.78
	Dealer Deposits	68.36	98.21
	Capital Creditors	3.61	1.04
	Others	8.08	5.97
		109.92	**132.55**
14.1.a	**Employee Benefit Obligation (Non-current)**		
	Provisions towards Employee Benefits : Non-current		
	Post Retirement medical benefits	1.05	1.15
	Leave encashment	9.71	11.81
	Service awards	0.60	0.50
	Gratuity	28.69	25.84
	Superannuation	6.42	3.86
	Total	**46.47**	**43.16**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	2023
14.1.b :	**Employee Benefit Obligation (Current)**		
	Provision towards Employee Benefits: Current		
	Post Retirement medical benefits	0.14	0.15
	Leave encashment	4.71	5.28
	Service awards	0.15	0.20
	Gratuity	7.17	6.49
	Total	**12.16**	**12.12**
15 :	**Other Non- Current Liabilities**		
	Rent received in advance	0.40	0.52
	Total	**0.40**	**0.52**
16 :	**Trade Payables**		
	(Refer Note No.29 (A) (iii))		
	Trade Payables		
	Secured	220.69	235.39
	Unsecured	62.45	52.30
	-Total outstanding dues of micro enterprises and small enterprises	22.89	24.57
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	260.25	263.12
	Total	**283.14**	**287.69**

Secured against the following:

Dues to IOC ₹ 220.69 Cr (March 31, 2023 ₹ 235.39 Cr) against Credit Limit of ₹ 110.00 Cr for which bank guarantee issued for ₹ 110.00 Cr.

17 :	**Other - Current Liabilities**		
	Advance from Customers	18.29	23.76
	Rent received in advance	0.12	0.12
	GAIL - Pool Account*	24.09	54.24
	Due to Employees	10.29	11.46
	POS Machine Fund Account	-	2.58
	Total	**52.79**	**92.17**

*Amount Payable to GAIL (Pool Operator) on account of Gas Pool Account amounting to ₹ 24.09 Cr (CPLY Trade Receivable ₹ 54.23 Cr).

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	2023
18 :	**Revenue from Operations (Net)**		
	Sale of Products (Net of GST)		
	Manufactured Goods	226.99	294.06
	Traded Goods	16.74	13.73
		243.73	**307.79**
	Less: Rebates	-	-
	Net Sales	**243.73**	**307.79**
	Subisdy from Government:		
	Manufactured Goods-Urea Subsidy		
	Price Subsidy	1,937.70	3,044.54
	Freight Subsidy	46.22	70.58
		1,983.92	**3,115.12**
	Manufactured Goods-NPK		
	Price Subsidy	(0.97)	23.62
	Freight Subsidy	-	0.56
		(0.97)	**24.18**
	Traded Goods-City Compost		
	Price Subsidy	-	
		-	-
	Other Operating Income:		
	Exchange Rate Fluctuation	-	-
	Sale of Scrap	0.82	0.00
	Other Operative Income	0.92	-
	Total	**2,228.42**	**3,447.09**

Note :The procedure for release of subsidy has been revised with the introduction of Direct Benefit Transfer (DBT) Scheme in a phased manner for all fertilizers. The revised procedure entails 100% payment of subsidy under DBT scheme on the basis of actual sale by the retailers to the beneficiaries on weekly basis through POS machines.

Pursuant to above procedure, pending sale of Urea totalling 36086.01 MT through POS machine to beneficiaries as on March 31,2024, subsidy of ₹ 169.41 Cr which has accrued on sale to dealers but shall become due for payment under DBT upon sale through POS machines has been recognized in the current period (CPLY quantities 31195.53 MT and subsidy ₹ 179.97 Cr).

19 :	**Other Income**		
	Interest income under Effective Interest Method:		
	From Bank and Others	25.62	6.88
	Dividend Income - Non-Current Investments	1.11	0.95
	Profit on sale of Property, Plant and Equipment (Net)	0.00	0.01
	Insurance Claim	-	-

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	As at March 31st 2023
	Rental Income	3.73	4.64
	Provision No Longer required/Written Back of Accounts	11.01	0.22
	Reversal of Impairment of Investments	0.19	0.19
	Others*	2.60	1.42
	* Includes Liquidated damages and sale of tender documents		
	Total	**44.26**	**14.31**
20 :	**Cost of Materials Consumed**		
	Opening Stock	42.24	62.54
	Add: Purchases	1,647.94	2,466.00
		1,690.18	2,528.54
	Less:		
	Filler Consumed for TAR	(0.01)	-
	Stock Loss	(12.51)	
	Closing Stock	(28.72)	(42.24)
	Total	**1,648.94**	**2,486.30**
21 :	**Purchase Stock in Trade**		
	Agrochemicals	4.59	4.58
	Organic manure	3.38	2.43
	City compost	2.98	2.53
	Total	**10.95**	**9.54**
22 :	**Changes in Inventories**		
	Opening stock		
	Finished goods	14.94	12.83
	Work in progress	79.47	130.00
		94.41	**142.83**
	Less : Closing stock		
	Finished goods	(8.96)	(14.94)
	Work in progress	(76.21)	(79.47)
	Stock Loss	(43.81)	
	Total	**(34.56)**	**48.42**
23:	**Operating and Maintenance Expenses**		
	Consumption of Stores, Spares & Packing materials	23.71	28.36
	Power,Water & Fuel	180.53	271.40
	Repairs and maintenance		

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	As at March 31st 2023
	Plant and machinery	46.81	38.43
	Bulidings	2.85	0.44
	Computers & other assets	0.83	2.51
	Transportation and warehousing		
	Transportation and warehousing	63.53	68.48
	Secondary freight	1.03	3.39
	Warehouse rent	0.04	0.04
	Insurance	9.04	7.98
	Finished product handling	28.55	27.48
	Total	**356.92**	**448.51**
24:	**Employee Benefit Expenses**		
	Salaries, wages and bonus	73.94	77.19
	Contribution to provident and other funds	19.90	19.00
	Welfare expenses	8.46	9.41
	Total	**102.30**	**105.60**
25:	**Finance Costs**		
	Interest on term loans:		
	From GOI	54.58	54.58
	From Bank	3.06	11.39
	Other borrowings:		
	Interest expenses on		
	Lease deposits	-	-
	Dealer deposits	5.94	7.24
	Trade Advances	-	-
	Deferred Credit	0.07	2.40
	Unwinding Financial Cost	0.98	0.03
	Others*	7.58	2.55
	** Includes interest on bills negotiation, cash discount given to customers & interest to SKLS ₹ 4.71 awarded by Arbitrator*		
	Total	**72.21**	**78.19**
26:	**Depreciation and Amortisation Expenses**		
	Depreciation - PPE & Investment Property	10.22	9.28
	Depreciation - Right to Use (Lease)	0.07	0.31
	Total	**10.29**	**9.59**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

	Particulars	As at March 31st 2024	2023
27:	**Other Expenses**		
	Payment to statutory auditors		
	Statutory audit	0.08	0.08
	Tax audit	0.02	0.02
	Certification	0.10	0.10
	Others		
	Rent	2.02	1.54
	Rates and taxes	16.59	0.93
	Directors' expenses	0.19	0.17
	Agro services/ information expenses	0.45	0.13
	Advertising and publicity	0.01	0.01
	Exchange Rate Fluctuation	-	-
	Bank charges	3.34	10.32
	Security charges	3.55	3.10
	Contract labour	2.39	1.73
	Car rentals	1.37	1.03
	Travel expenses	1.06	1.01
	Postage and telecom expenses	0.27	0.28
	Loss on derecognition of Property Plant and equipment	0.99	0.00
	Provision for unutilised GST ITC	-	1.77
	CSR - Expenses	6.33	0.12
	Miscellaneous expenses	5.01	4.25
	Total	**43.77**	**26.59**
27A:	**Exceptional Items**		
	Exceptional items	-	
	Loss of Inventory due to Michaung Cyclone	56.31	-
	Compensation for grant of Right to use - Land	(6.32)	-
	Total	**49.99**	**-**
28 :	**Other Comprehensive Income**		
	Items that will not be Re-classified to Profit and Loss		
	Fair Value Change of Non-Current Investments	117.59	86.30
	Remeasurement of Defined Benefit plan	0.85	1.44
	Less : Change in Asset Ceiling under para64(b) of IND AS 19	-	-
	Less : Tax (expenses)/benefit on the above	(26.65)	(54.73)
	Total	**91.79**	**33.00**
	Income Tax		
	Income Tax - Current Tax	5.00	58.00
	Income Tax - Earlier year Tax	0.39	3.72
	Total	**5.39**	**61.72**

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Note No:29

(A). Ageing Analysis for Capital work in progress, Trade Receivables and Trade Payables in accordance with the Schedule III of the Companies Act,2013:

i. Capital Work-in-Progress

(a) Ageing schedule of capital work in progress / Intangible Assets under Development as on 31st March 2024 is given below:

Particulars	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	17.56	1.94	0.59	1.08	21.17
Projects temporarily suspended	-	-	-	-	-
Total	**17.56**	**1.94**	**0.59**	**1.08**	**21.17**

(b) Ageing schedule of capital work in progress / Intangible Assets under Development as on 31st March 2023 is given below:

Particulars	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2.19	6.61	4.60	-	13.40
Projects temporarily suspended	-	-	-	-	-
Total	**2.19**	**6.61**	**4.60**	**-**	**13.40**

(c) Capital-Work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st March 2024

Particulars	To be competed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Dedicated RO Plant	-	-	4.24	-	4.24
Total	-	-	4.24	-	4.24

ii. Trade Receivables -Current

(a) Ageing schedule of trade receivables as on 31st March 2024 are as under:

Particulars	Receivables not due	Outstanding for following periods from due date of payments*					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Towards Subsidy							
(a) Considered Good Secured (A)	-	230.34	-	31.61	19.39	39.86	321.20

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	Receivables not due	Outstanding for following periods from due date of payments*					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Towards Sale of Goods							
(a) Considered Good Secured	-	0.11	-	-	-	-	0.11
(b) Considered Good Unsecured	-	-	-	-	-	-	-
(c) which have significant increase in credit risk	-	-	-	-	-	-	-
(d) Credit Impaired-Disputed	-	-	-	-	-	3.73	3.73
	-	0.11	-	-	-	3.73	3.84
Less: Expected Credit Loss Allowance	-	-	-	-	-	(3.73)	(3.73)
(B)	-	0.11	-	-	-	-	0.11
Total (A+B)	**-**	**230.45**	**-**	**31.61**	**19.39**	**39.86**	**321.31**

* Date of Transaction is considered as due date of payments

(b) Ageing schedule of trade receivables as on 31st March 2023 are as under:

Particulars	Receivables not due	Outstanding for following periods from due date of payments*					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Towards Subsidy							
(a) Considered Good Unsecured (A)	-	250.72	241.63	-	0.44	-	492.80
Towards Sale of Goods							
(a) Considered Good Secured	-	10.81	-	-	0.00	-	10.81
(b) Considered Good Unsecured	-	-	-	-	-	-	-
(c) which have significant increase in credit risk	-	-	-	-	-	-	-
(d) Credit Impaired-Disputed	-	0.58	0.70	-	-	3.10	4.38
	-	11.39	0.70	-	0.00	3.10	15.19
Less: Expected Credit Loss Allowance	-	(0.58)	(0.70)	-	-	(3.10)	(4.38)
(B)	-	10.81	-	-	0.00	-	10.81
Total (A+B)	**-**	**261.53**	**241.63**	**-**	**0.44**	**-**	**503.61**

* Date of Transaction is considered as due date of payments

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

iii. Trade Payables

(a) Ageing schedule of trade payables as on 31st March 2024 are as under:

Particulars	Unbilled Payables	Outstanding for following periods from due date of payments*				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Outstanding dues of Micro Enterprises and Small Enterprises	-	22.53	0.36	0.00	-	22.89
ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1.54	256.24	1.37	0.86	0.25	260.26
iii) Disputed outstanding dues of Micro Enterprises and Small Enterprises	-		-	-	-	-
iv) Disputed outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-		-	-	-	-
Total	**1.54**	**278.77**	**1.73**	**0.86**	**0.25**	**283.16**

*Date of transaction is considered as due date of payment.

(b) Ageing schedule of trade payables as on 31st March 2023 are as under:

Particulars	Unbilled Payables	Outstanding for following periods from due date of payments*				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Outstanding dues of Micro Enterprises and Small Enterprises	5.84	15.46	1.22	1.70	0.36	24.56
ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2.78	256.32	0.71	0.39	2.93	263.12
iii) Disputed outstanding dues of Micro Enterprises and Small Enterprises	-		-	-	-	-
iv) Disputed outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-		-	-	-	-
Total	**8.62**	**271.78**	**1.92**	**2.09**	**3.29**	**287.69**

*Date of transaction is considered as due date of payment.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Note No:29

(B). Information of goods Manufactured and Traded, value of Production, Stocks ,Consumption, Value of Imports expenditure and Expenditure in Foreign Exchange:

(a) Installed capacities:	March 31, 2024	March 31, 2023
	Quantity MT	Quantity MT
Ammonia	346,500	346,500
Urea	486,750	486,750
NPK	280,000	280,000
Bio fertilizers	400	400

(b) Production	March 31, 2024	March 31, 2023
	Quantity MT	Quantity MT
Ammonia	252,140	298,046
Neam-Urea	432,500	519,800
NPK 17-17-17	-	
NP 20-20-0	-	7,507
Bio fertilizers	-	22.56

(c) Purchase of Stock in Trade :	March 31, 2024		March 31, 2023	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
Agro chemicals		4.59		4.58
Organic manure	10,740	3.38	7,836	2.43
City compost	11,307	2.98	9,608	2.53
	22,047	**10.95**	**17,444**	**9.54**

(d) Gross sales

Manufactured product				
Neem Urea	427,836	224.30	529,879	277.80
NPK 17-17-17	-	-	-	-
NP 20-20-0	-	-	7,504	16.19
Carbon-di-oxide *	-	-	-	-
Bio Fertilizers	-	-	23	0.07
Ammonia Sales	545	2.69		
Bought Fertilizers				
Agro chemicals	-	6.49		6.50
Organic manure	10,740	5.07	7,836	3.62
City compost	11,307	5.18	9,608	3.60
	450,428	**243.73**	**554,850**	**307.78**

* By Product

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

(e) Stocks	March 31, 2024		March 31, 2023	
	Quantity MT	Amount (Rs. In Cr)	Quantity MT	Amount (Rs. In Cr)
(i) Opening stock				
(a) Finished product				
Neem Urea	2,691	14.24	2,819	12.12
NPK 17-17-17	196	0.70	196	0.07
NPK 20-20-0-13	-	-	-	-
Bio Fertilizers				
(b) Work in progress				
Manufactured products				
Ammonia	4,799	40.08	8,442	54.66
Urea-bulk	7,587	39.39	18,013	75.34
	15,273	**94.41**	**29,470**	**142.19**
(ii) Closing stock				
(a) Finished product				
Manufactured products				
Neem Urea	1,693	8.51	2,691	14.24
NPK 17-17-17	123	0.44	196	0.70
Bio Fertilizers	-	-	-	-
(b) Work in progress				
Manufactured products				
Ammonia	5,647	52.87	4,799	52.87
Urea-bulk	4,732	23.33	7,587	23.33
	12,195	**85.15**	**15,273**	**91.14**
(c) Stock losses				
Neem Urea	115	-	474	-
NPK 17-17-17	-	-	2	-

NOTES TO THE FINANCIAL STATEMENTS

₹ in Crores

Particulars	March 31, 2024		March 31, 2023	
	%	Amount	%	Amount
Indigenous				
RLNG/ Naphtha		1646.32		2462.68
Others		2.61		3.36
Total (%)	**100**	**1648.93**	**84**	**2466.04**
Imported				
Urea		0.00		5.65
Potash				
Phosphoric Acid		0		14.61
Total (%)	**0**	**0.00**	**16**	**20.26**
	100	**1648.93**	**100**	**2486.30**
Components and Spares				
Imported (%)		7.14	12	3.68
Indigenous (%)		30.59	88	18.44
	100	**37.73**	**100**	**22.12**
CIF value of imports				
Raw materials				
Components and spares		3.98		5.49
		3.98		**5.49**
Expenditure in foreign currency				
Books and periodicals		-		-
Travel (Business, Seminar, Conference, etc.)		-		
		0.00		**0.00**

NOTES TO THE FINANCIAL STATEMENTS

Note No:29

(C). Analytical Ratios in accordance with the Schedule III of the Companies Act,2013:

Sl. No	Particulars	Numerator	Denominator	As at March 31st		Variance (in %)	Reason for Variance
				2024	2023		
a.	Current Ratio (in times)	Current Assets	Current Liabilities	0.63	0.63	-0.52%	
b.	Debt-Equity Ratio (in times)	Total Debt (1)	Shareholder's Equity	-8.35	-5.20	60.34%	Gov. of India loan increased due to interest added with principle.
c.	Debt Service Coverage Ratio (in times)	Earnings available for debt service (2)	Debt Service (3)	5.61	10.69	-47.50%	Decline in profit due to lower capacity utilization
d.	Retun on Equity (ROE) (%)	Net profit after taxes	Average Shareholders's Equity Capital	-2.33%	-46.77%	-95.02%	Plant shutdown due to Michaung Cyclone and flooding lead to lower capacity utilization and fall in revenue.
e.	Inventory Turnover Ratio (in times)	Revenue from Operations (Excl. Subisdy Income)	Average Inventory	1.12	1.19	-5.85%	
f.	**Trade Receivables Turnover Ratio (in times)**						
	-Towards Sale of Goods	Net Credit Sales	Average Trade Receivables -Sale of Goods	0.58	0.83	-30.29%	Decrease in Credit Sales.
	-Towards Subsidy	Revenue from Operations-Subsidy Income	Average Trade Receivables-Subsidy	4.87	4.27	14.10%	
g.	Trade Payables Turnover Ratio (in times)	Net Credit Purchase	Average Trade Payables	5.65	8.09	-30.13%	Due to reduction in credit purchase
h.	Net Capital Turnover Ratio (in times)	Revenue from Operations	Working Capital	-2.95	-4.66	-36.66%	Due to blockage of funds in current assets and dependence on bank borrowings
i.	Net Profit Ratio (%)	Net profit after taxes	Revenue from Operations	0.25%	5.38%	-95.37%	Lower capacity utilization
j.	Return on Capital Employed (ROCE) (%)	Earning before interest and taxes	Capital Employed (4)	5.18%	20.45%	-74.69%	Plant shutdown due to Michaung Cyclone and Flooding to a lower capacity and fall in revenue.
k.	Return on Investments (ROI) (%) -Unquoted	Income generated from Investments	Average Investments	35130%	26016%	35.03%	Increase in OCI

(1) Including lease liabilities

(2) Net profit after taxes + Non-Cash Operating Expenses + Interest + Other adjustments like loss on sale of PPE etc.,

(3) Including lease payments made during the year

(4) Tangible Networth + Total Debt + Deferred Tax liabilities + Lease Liabilities

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note No.30: Other Notes forming part of Standalone financial statements

1. Contingent/Disputed Liability **(₹ Cr)**

S.No	Particulars	As on March 31,	
		2024	2023
1.	Claims on the Company not acknowledged as debts' Contractors / Suppliers / Vendors		
	-SICGIL India Ltd	7.42	6.87
	-Davey Products	1.60	1.51
	-Keerthana Enterprise	0.46	0.40
	-M V Seshachary	0.63	0.63
	-Sri Krishna Lorry Service	-	6.33
2.	Tax liabilities pending for settlement at various Forum -		
	Custom Duty - Appeal pending in High Cort of Madras	65.86	65.86
	Goods and Services Tax - Tamil Nadu - Appeal pending in First Appellant Authority for the FY 2017-18	1.79	-
	Goods and Services Tax - Tamil Nadu - Writ Petition pending before High Court of Madras for the FY 2018-19 and 2019-20	216.16	-
	Goods and Services Tax - Karnataka - As per Show Cause Notice received for the FY 2021-22	0.85	1.11
	Income Tax - Appeal for FY 2017-18 pending for disposal before CIT(A)	7.22	6.54
	ESI Demand contested in the appeal	-	0.74
	Commercial Tax Kerala - Appeal filed by the department pending in the supreme court	5.11	5.11
	TDS Demand as per TRACES portal pending for correction to be made by the company	0.34	0.30
3	Claims preferred by local authorities - Demand for increase in rent by CMWSSB - Representation made by the company pending for disposal	26.64	-
	Others		
	Gratuity claimed by separated employees - 2007 revision	5.70	5.70
	Gratuity claimed by separated employees - 2017 revision	2.85	2.85
	Demand for compensation for 31.65 acres made by Govt of Tamil Nadu for land in Manali	0.43	0.43
	As per show cause notice of Noncompliance of Emission norms by Tamil Nadu Pollution Control Board -Representation made by the company pending for disposal	0.37	0.37
	National Green Tribunal	-	0.96
	Penal Interest on GOI Loans	351.68	311.40
	Letters of Credit and Bank Guarantees	111.69	115.01

Capital and Other commitments (In Cr)

S.No	Particulars	As on March 31,	
		2024	2023
1	Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows (Net of Advances)	8.21	4.14
2	Other Commitments	6.87	7.38

***Claims against the company not acknowledged as debt include following:**

a. The Company suspended the supply of Carbon di-oxide (CO2) to SICGIL India Limited,(SICGIL) since they defaulted in its payments as per the terms of the contract. SICGIL invoked arbitration proceedings and got an award in their favour for ₹3.25 Cr after adjusting the amount due to the Company of ₹0.03 Cr. Along with the interest @18%. Further the arbitrator has awarded the company to reimburse the cost of arbitration of ₹0.08 Cr with interest @ 6% to the SICGIL.

   The company has filed an appeal against the said award before Hon'ble Madras High Court, which got dismissed on 09.08.2021. The company had preferred an appeal before the Divisional Bench of the Hon'ble Madras High Court and the matter is pending for final disposal by divisional bench. As per Arbitration award, the probable outflow till 31st March,2024 works out to ₹7.42 Cr inclusive of interest of ₹4.12 Cr (PY-₹6.87 Cr inclusive of interest of ₹3.53 Cr).

b. M/s Davey Products a contractor for undertaking supply, erection and commissioning of RO Plant has invoked the arbitration proceedings and has been award of work for ₹4.38Cr to be paid by the company. After netting of ₹ 3.87Cr being the payment effected by the company to said contractor and the balance of ₹ 1.60 Cr together with the Interest of 18% payable in terms of the award is considered as a Contingent Liability in the current year (PY-₹1.51Cr inclusive of interest).

c. In 2007 Pay Revision, GOI has increased the gratuity ceiling from ₹3.50 lakhs to ₹10.00 lakhs effective from 01.01.2007 whereas the Payment of Gratuity Act has amended only from 24.05.2010. In view of above, employees separated during the period from 01.01.2007 to 30.04.2010 were paid gratuity reckoning the ceiling as ₹3.50 lakhs. Some of the employees separated during the above period filed appeal before the High Court of Madras for the differential Gratuity amounting to ₹2.85 Cr (PY – ₹2.85Cr) and the matter is subjudice. The matter is stayed by the Hon'ble Madras High Court with an order that the enhanced Gratuity is not payable with retrospective effect based on SC order on the issue.

d. As per the DPE guidelines on wage revision effective 01.01.2017, the package includes higher gratuity of ₹20 lakhs from that date. However the Company has not till date implemented the wage revision, the question of higher gratuity does not arise. The Company is paying the enhanced gratuity to all the employees who are separated from the Company after the amendment made in the payment of Gratuity Act with effect from 29.03.2018. Some employees have gone to labour court for enhanced gratuity amounting to ₹ 5.70 Cr (PY –₹5.70 Cr) for the period from 01.01.2017 to 28.03.2018 which was dismissed by the Labour Court and separated employees have filed an appeal in Hon'ble High Court of Madras.

e. Income tax department has raised a demand of ₹ 7.22 Cr (PY – ₹6.54Cr) on April 22, 2021 for the A.Y 2018-19 for which the Company has filed an appeal before CIT (Appeals) Chennai. Further, the Income Tax Department has initiated the penalty proceedings and levied penalty of ₹20,000/-.

f. In respect of Tax deducted at source (TDS), department has raised a demand due to short-deduction and/or short payment of ₹0.34 Cr (PY- ₹0.30 Cr), for which the company is in the process of rectification.

g. One of the employees of the company Mr M V Seshachary (E.No.2226) was dismissed and reinstated after the Court Order. The employee went to Court for payment of back wages. The Court ordered the

Company to pay an amount of ₹0.63 Cr(PY – ₹0.63Cr) along with the interest @ 6% p.a. Against the order of the Court, the company has preferred an appeal before the Hon'ble High Court of Telangana. As per the Court Order, the Company has deposited ₹0.35 Cr as a pre-condition for the appeal, which is still pending.

h. M/s Keerthana Enterprises having canteen contract with the Company has filed the petition before MSME Counsel by claiming a dues of principal ₹0.31 Cr (PY-₹0.31 Cr) and interest of ₹0.06Cr (PY – ₹0.09 Cr) for the non-payment of dues as per the provisions of MSMED Act 2006. The company is of the view that there is no such liability.

i. Department of Commercial Tax, Kerala has preferred an appeal against the Company for the AY 2009-10 and 2010-11 before the Hon'ble Supreme Court for considering the subsidy received from the Government as a part of turnover in order to levy the value added tax. The total tax demanded by the Department is ₹5.11 Cr inclusive of interest of ₹1.10 Cr (PY-₹5.11 Cr). The case is pending before the Court.

j. Assistant Commissioner of Central Tax, West Division has issued a show-cause notice to the Regional Office in Bengaluru for excess availment of input tax credit for the period April-21 to September-21 amounting to Rs.0.85 cr. The Company is contesting the said demand.

k. Commissioner of Customs ordered the company for the differential customs duty of ₹65.86 Cr (inclusive of penalty and redemption fine of ₹32.88 Cr and ₹0.10 Cr) (PY-₹65.86 Cr) against which the company has filed a case before the CESTAT, South Zone, Chennai by depositing ₹0.05 Cr. The CESTAT has set aside the demand and remanded the matter to the original adjudicating authority to first decide the issue of jurisdiction after availability of decision of Hon'ble Supreme Court in the case of M/s Mangli Impex. Against the said remanded order, Commissioner of Customs has filed Civil Miscellaneous Appeal (CMA) before Hon'ble High Court of Madras which is pending.

The Company has requested GOI for waiver of Interest accrued and penal interest on GOI loans as a part of revival package. However, as per the office memorandum on 'Loans and Advances by the Central Govt.- interest rate and the other terms and conditions', in case of non-acceptance of revival package submitted by the Company, the Company is under obligation to pay penal interest of 2.75% p.a amounting to ₹ 351.68 Cr for the current year (PY – ₹311.40 Cr).

l. Tamil Nadu GST Authorities conducted GST audit for the following financial years and tax demand raised, Company contested the same.

YEAR	GST	INTEREST	PENALTY	TOTAL	REMARKS
2017-18	82,40,548.00	88,26,642.87	8,29,430.00	1,78,96,620.87	Appeal filed with appellate Authority is pending for disposal
2018-19	56,10,82,204.00	49,99,93,418.28	5,61,08,688.00	1,11,71,84,310.28	Writ petition filed against the demand is pending for disposal
2019-20	57,68,00,642.00	40,98,91,919.24	5,76,80,532.00	1,04,43,73,093.24	Writ petition filed against the demand is pending for disposal
	1,41,61,23,394.00	**91,87,11,980.39**	**11,46,18,650.00**	**2,17,94,54,024.39**	

2. Tamil Nadu Pollution Control Board (TNPCB) has issued a Show cause Notice for non-compliance of emission norms by levying an environmental compensation of ₹0.37 Cr. u/s 5 of the Environment (Protection) Act, 1986. The Company has represented the matter before the appropriate authority. Decision of the TNPCB is yet to be received.

3. Disclosure of Contingent Asset

The Company filed a recovery suit against M/s Hastalloy India Ltd, having business transactions of supply of Uranus Rods amounting to ₹0.08 Cr together with interest of ₹0.04 Cr before Hon'ble Court of Principal District Judge at Tiruvallur

in 2007, the Court ordered the decree in favour of the company for an amount of ₹0.12 Cr, as claimed in the suit and to reimburse the cost of suit of ₹0.01 Cr along with the interest @ 18% from the date of decree to till date of realization. Subsequently for transfer of decree necessary executive petition papers were filed in the District Court, Tiruvallur. Since the jurisdiction of supplier lies in Visakhapatnam, the Company initiated to transfer the executive petition for the recovery. Due to non-availability of virtual certainty of inflow to the company, it is disclosed as contingent asset.

4. Default in repayment of Loans

The Company defaulted in repayment of loan principal and interest on GOI loans as detailed below: (₹Cr)

Particulars	Principal	Interest Accrued and Due	Total
Revamp loans	122.30	176.64	298.94
Plan loans	411.17	656.76	1067.93
Non plan loans	20.77	42.16	62.93
Total	**554.24**	**875.56**	**1429.80**

Interest on loan from GOI for FY 2023-24 amounted to ₹54.58Cr

5. Impairment of assets

A. A detailed valuation has been done by Chartered Engineer and valuer. As per his report no adjustment towards impairment loss is considered necessary by the Company as on 31.03.2024. Net selling price of the major Plant and Equipment has been assessed against the book value on that date is detailed below: (₹ Cr)

Plant	As on March 31,2024		As on March 31,2023	
	Net selling price	Book Value	Net selling price	Book Value
Ammonia	288.32	138.12	315.60	144.24
Urea	64.79	29.29	74.32	21.87
NPK	2.73	0.86	2.93	0.92
Utilities	25.46	16.14	26.81	9.35

B. The company has de-recognized the CISF Quarters from Property Plant & Equipment and charged off the same in the statement of Profit & Loss amounting to Rs.0.99 Crores, consequent upon the impairment of the said asset as identified by independent surveyor appointed by the company in his report.

6. The Company has opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 25.17% (Income tax 22%+Surcharge 10% + Health & Higher Education Cess 4%) rate of corporate tax in its accounts from the said year. Accordingly, the company has considered the said rate for the tax expenses for the year and has measured its deferred tax assets/ liabilities on the basis of the above option.

Current Tax **(₹ Cr)**

Particulars	As at March 31	
	2024	2023
Profit before Tax	11.86	248.66
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expenses	2.97	62.54
Tax Effect of :		

Particulars	As at March 31	
	2024	2023
Income not subject to tax	(0.28)	(0.35)
Expenses Disallowed	8.06	7.07
Expenses allowed on payment basis	(1.46)	(7.04)
Depreciation admissible	(4.28)	(4.22)
Current Tax Expense(A)	5.00	58.00

Status of Income Tax Refund Due and the adjustments thereof:

a. During the year, the Income Tax Department has adjusted a sum of Rs.1.05 Cr being the demand for the AY 2014-15 against the refund of Rs.4.82 Cr due to the company for the AY 2023-24. The company received a balance refund of Rs.3.77 Cr during the year.

b. The Income Tax refund due to the company, amounting to ₹2.60 Cr, is included in 'Other Financial Assets (Non-Current)'

Movement in Deferred Tax Liability / (Asset) during the year: **(₹ Cr)**

Particulars	Opening Balance 01.04.2023	Recognized in P&L	Recognized in OCI	Closing Balance 31.03.2024
Deferred Tax Asset				
Expenditure allowable on payment basis	15.32	0.53	0.15	16.00
Other timing differences	-	-	-	-
Unabsorbed tax losses	-	-	-	-
Total	**15.32**	**0.53**	**0.15**	**16.00**
Deferred Tax Liability				
Depreciation	22.51	1.45	-	23.96
Revaluation of FVTOCI Investments to Fair value	74.31	0.01	26.80	101.13
Other timing differences	0.01	(0.01)	-	-
Total	**96.84**	**1.45**	**26.80**	**125.09**
Net Deferred Tax Asset/(Liability)	**(81.53)**	**(0.92)**	**(26.65)**	**(109.09)**

Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to setoff current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the years in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

7. In the opinion of the Management, the sum of ₹ 173.93 Cr being the Input Tax Credit (ITC) included under other current assets is available for set-off against GST output liability arising out of sale of products (excluding subsidy) in the future years.

The company was holding a provision of ₹ 48.33 Cr as on 01.04.2023 as a prudence measure to meet any contingencies of any additional liability towards GST on completion of the reconciliation of figures of ITC as per the book Vs Electronic Credit Ledger. During the current financial year reconciliation has been undertaken and completed in respect of FY 2020-21, 2021-22, 2022-23 & 2023-24. On completion of the said reconciliation the company has identified ₹ 5.89 Cr as ITC not eligible for setoff and accordingly charged off in the statement of Profit & Loss under Rates & Taxes. Consequent upon the charging of the said amount, the company has written back ₹5.89 Cr from out of the provision held of Rs 48.33 Cr being the provision considered no longer required.

From the provision of Rs 48.33 Cr held in the books as on 01-04-2023, a sum of Rs 4.88 Cr has been written back in the statement of Profit & Loss since in the opinion of the management only a sum of Rs 37.57 Cr is required to be retained as provision for the probable omission / errors which might come to light on the completion of the reconciliation of the figures of Input Tax Credit between books of accounts and Electronic Credit Ledger for the FY 2017-18, 2018-19 & 2019-20.

On completion of the reconciliation of ITC as reflected in the books of accounts and with relevant statutory records under GST regulations for the FYs 2020-21, 2021-22 and 2022-23, the Company has identified ₹ 13.78 Cr being the loss arising out of ineligibility to claim the ITC due to non-compliance with the GST regulation on the part of the certain vendors / contractors. In the opinion of the Management the said sum of ₹ 13.78 Cr is recoverable from the said vendors / contactors since, the parties are mostly regular vendors/ suppliers of the Company and accordingly the said sum is considered as claims recoverable and grouped under Other Current Assets. The management is in the process of taking efforts to recover the said sum and pending the outcome of the measures taken for recovery, no provision has been considered necessary in the accounts for the said sum by the management.

8. The reconciliation of Input Tax Credit figures between the books and the electronic credit ledger for the FY 2018-19 & 2019-20 are pending as on the date of balance sheet. Further, the reconciliation of the ITC figures between the books and the electronic credit ledger for the FY 2017-18 had not been taken up for reconciliation by the company.

9. Entry tax of ₹ 2.52 Cr provided for payment during the years 2013-14 to 2017-18, has not been remitted, since the appeal filed by ITC Ltd. against the Tamil Nadu Government in this regard, has not been disposed off. The said amount is retained as provision in the books of accounts by the Company for payment, when demanded.

10. Related Party Disclosures

a. Name of the Related Parties and their relationship:

Name of the Related Party	Nature of Relationship	Tenure From
Shri U Saravanan	Chairman and Managing Director	Up to 15.06.2023
Shri Kishor Rungta	Chairman and Managing Director	16.06.2023 to 01.02.2024
Dr. K Jayachandran	Director - Technical	01.05.2023
Shri Arvind Kumar	Director – GOI Nominee	10.02.2023 to 04.04.2024
Shri Mohammad Bagher Dakhili	Director – NICO Nominee	18.02.2017
Mrs. Samieh Kokabi	Director - NICO Nominee	10.02.2021
Shri Babak Bagherpour	Director - NICO Nominee	23.10.2018
Shri Harsh Malhotra	Director – Technical	22.07.2019 to 30.04.2023
Shri Nalabothu VenkataRao	Independent Director	05.11.2021
Dr. C R Jayanthi	Independent Director	28.12.2021

Name of the Related Party	Nature of Relationship	Tenure From
Shri Sanjay Shetye	Independent Director	31.12.2021
Dr. Jatin Kumar Mohanty	Independent Director	20.06.2023
Shri Priya Ranjan Panda	General Manager – Finance & Accounts / Chief Financial Officer	01.07.2020
	Company Secretary &Compliance Officer (In charge)	13-12.2023
Shri Ram Ganesh R	Company Secretary	18.07.2022 to 12.12.2023
MFL Employees Contributory Provident Fund Trust	Employee benefit trusts managed by MFL	01.04.1967

b. Transaction with Key Management Personnel: **(₹ Cr)**

Particulars	For the year ended 31 March,2024	For the year ended 31 March,2023
Short-term employee benefits	1.09	1.27
Post-employment benefits	0.13	0.28
Compensated absences	-	-
Other long-term benefits	-	-
Total Compensation	**1.22**	**1.55**

c. Related party transactions other than those with key management personnel: (₹ Cr)

Particulars	For the year ended 31 March,2024	For the year ended 31 March,2023
Transaction During the Year		
Contributions		
MFL Employees Contributory PF Trust	5.62	5.75

d. Disclosure under Ind AS 24 or related party transaction are given below

Since Government of India owns 59.50% of the Company's equity share capital (under the administrative control of DoF, Ministry of Chemicals and Fertilizers), the disclosures relating to transactions with the Government and other Government controlled entities have been reported in accordance with para 26 of Ind As 24.

Certain transactions are carried out with other government related entities for purchase of Gas, FO, HSD, Lube and lease rent, which are significant in terms of value, the details of which are as under:

₹ in Cr

Name of the Entity	Nature of Transaction	2023-24	2022-23
Indian Oil corporation Ltd	Procurement of RLNG /FO/HSD/LUBE and Gas pipe line compensation	1608.43	1855.79
GAIL(India) Ltd	GAS Pool Account	110.68	501.82
Chennai Petroleum Corporation Ltd	Lease Rent	4.29	3.29

11. Leases

a. Operating Leases:

i. As a Lessee:

The Company had only one lease contract for land for a period of 5 years, which expired on 30.06.2023.

Movement of Lease Liabilities: **(₹ Cr)**

Particulars	2023-24	2022-23
Opening Lease Liabilities	0.02	1.13
Additions	-	-
Finance cost accrued during the period	-	0.03
Payments of Lease Liabilities	(0.02)	(1.14)
Closing Lease Liabilities	**-**	**0.02**

The details of the contractual maturities of lease liabilities as at March 31, 2024 & 2023 on an undiscounted basis are as follows:

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.

Rental expenses recorded for short- term leases were ₹0.18Cr for the year ended March 31, 2024 (PY ₹ 0.16Cr).

(₹ Cr)

Particulars	March 31, 2024	March 31,2023
Expense relating to short-term leases	2.02	1.54
Total Lease Payments not considered as Lease payments under Ind AS 116	2.02	1.54

ii. As a Lessor:

Rental income on operating leases of the space rented out to CPCL is included under 'Rent' in 'Other Income'. The future lease rent receivable over the remaining contract period for each of the following periods is:

(₹ Cr)

Particulars	March 31,2024	March 31,2023
Less than one year	2.62	3.71
Between one and five years	13.95	19.16
More than five years	-	-

Details of Property taken on Lease/ Leased out:

Description of Property	Leased to	Period of Lease	Basis of Lease
Triangle Plot –Manali	Chennai Petroleum Corporation Limited	20 years from 01.08.2008	8% of Guideline Value & escalated @ 8% every year
LPG Pipeline		10 years from 01.04.2017	14% of Guideline Value & escalated @ 12% every year
Bio Fertilizer Vijayawada	Hayagreeva Bio Organics Pvt Ltd	5 years	Approx. 5% escalated every year

12. Amount shown under finance cost charged to the statement of Profit & Loss includes Rs 0.83 Cr being the notional value of unwinding of interest cost pertaining to earlier years arising out of restatement of rental deposit at discounted value as required under Ind AS.

13. Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) have allotted 43.13 acres of land for a lease period of 33 years at Kodungaiyur for TTP Plant in the year 1989 which got expired in May 2022.

Further, the Board of Directors of the company in its 315thmeeting dated 3rd February 2021 approved for further extension of lease for another 33 years. The Negotiation is going on and is yet to be finalized. The CMWSSB has granted permission for the use of land on adhoc basis pending for the finalization of lease terms.

Meanwhile, the company has been served with a notice from Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) wherein demand for Rs.27.31 Cr (Excluding GST) towards increase in the rent from October'23 to March'24. The company has made representation for waiver of the said demand. The company has effected a payment of Rs 0.67 Cr which has been charges in the statement of Profit & Loss. Pending the outcome of the result of representation, the demand of Rs 26.64 Cr (Net off) has been considered in the statement of Contingent Liabilities.

14. Disclosure on Investment Property:

a. The Management classifies the Asset which are held for rental incomes or surplus assets for capital appreciation under investment property.

(₹ Cr)

Particulars	March 31, 2024	March31, 2023
Rental Income	3.73	4.64
Direct proportionate operating expenses relating to rental income	0.00	0.00
Depreciation	0.01	0.01

b. Fair Valuation:

Investment Property at Bio Fertilizers Plant in Vijayawada is valued on the basis of market value of the Property by an independent Chartered Engineer and Investment property at Manali is valued based on Government Guideline value. Fair values for the investment properties are as follows:

(₹ Cr)

Particulars	March 31,2024	March31,2023
Vijayawada Bio Building	0.17	0.18
Vijayawada Bio Land	5.26	5.50
Surplus Land at Manali	849.69	849.69
Vacant Land in Manali New Town	19.38	19.38
Vacant Land in Gujarat	0.05	0.05
Vacant Land in Guindy	65.33	65.33

15. The Company has 70 acres of surplus land at Manali, which has been approved by the shareholders through special resolution during the FY 2019-20. Initially, CPCL has shown its interest to purchase the entire 70 acres of land. Later on, CPCL has conveyed its willingness to purchase 4.98 acres of land only. Accordingly, the company has classified the 4.98 acres of Manali land under "Assets held for Sale" amounting to ₹18,484/- (valued at cost price), whose fair value as on the March 31,2024 is ₹ 65.08 Cr.

For the remaining 65.02 acres of surplus land, the company has made communication to all the PSUs and Government of Tamil Nadu, the availability of land for sale. The company decided to classify the 65.02 acres of land under "Investment Property" due to lack of marketability of the land and the same was informed to DIPAM for further action.

Further, during the 310th Board Meeting, the Board of Directors approved for sale of Guindy property having an area of 19 grounds & 1064 sq.ft, subject to approval of Dept. of Fertilizers, Govt. of India and Shareholders. Pending approval from the shareholders, the same is retained under "Investment Property". During the year, the Board has approved appointment of NBCC (India) limited as a land management agency for said property for which MOU is yet to be entered.

16. Employee Benefit Expenses

Defined Benefit Plans:

The Company has floated the following defined benefit plans i) Gratuity, ii) Post-retirement medical benefits, iii) Compensated absences, iv) Service awards and v) Contribution to Provident Fund trust.

Funding:

Gratuity is the only defined benefit plan that is funded by the Company. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

Movement in net defined benefit (Asset) / Liabilities

Gratuity

The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Life Insurance Corporation of India. This defined benefit plan exposes the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn basic salary plus dearness allowance) for each completed year of service subject to a ceiling of ₹ 0.20 Cr on superannuation, resignation, termination excepting in the case of death or disablement for which the condition of continuous service does not apply. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

Other Benefits

Obligations on post - retirement medical benefits, compensated absences and service awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. These are unfunded plans.

(₹Cr)

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2024	2023	2024	2023	2024	2023
Gratuity						
Balance as at April 1	44.98	48.60	12.66	13.69	32.32	34.91
Included in profit and loss						
Current service cost	1.71	1.72	-	-	1.71	1.72
Interest cost	3.14	3.15	-	-	3.14	3.15
Interest income	-	-	0.72	0.89	(0.72)	(0.89)
Benefits paid	(6.23)	(7.34)	(6.23)	(7.34)	-	-
Contributions made	-	-	0.08	5.30	(0.08)	(5.30)
Included in OCI						

Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset) liability	
	2024	2023	2024	2023	2024	2023
Net actuarial (gain)/loss and interest	(0.60)	(1.15)	(0.08)	0.12	(0.52)	(1.27)
Balance at March 31	**43.00**	**44.98**	**7.15**	**12.66**	**35.85**	**32.32**
Earned leave encashment						
Balance as at April 1	17.09	16.86	-	-	17.09	16.86
Included in profit and loss						
Current service cost	2.02	2.40	-	-	2.02	2.40
Interest cost	1.07	1.05	-	-	1.07	1.05
Interest income	-	-	-	-	-	-
Benefits paid	(5.74)	(3.74)	-	-	(5.74)	(3.74)
Included in OCI						
Net actuarial (gain)/loss and interest	(0.02)	0.52	-	-	(0.02)	0.52
Balance at March 31	**14.42**	**17.09**	**-**	**-**	**14.42**	**17.09**
						(₹Cr)
Post-retirement medical benefits						
Balance as at April 1	1.30	1.70	-	-	1.30	1.70
Included in profit and loss						
Current service cost	0.03	0.03	-	-	0.03	0.03
Interest cost	0.10	0.13	-	-	0.10	0.13
Interest income	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Included in OCI						
Net actuarial (gain)/loss and interest	(0.24)	(0.56)	-	-	(0.24)	(0.56)
Balance at March 31	**1.19**	**1.30**	**-**	**-**	**1.19**	**1.30**
Service award						
Balance as at April 1	0.70	0.73	-	-	0.70	0.73
Included in profit and loss						
Current service cost	0.06	0.06	-	-	0.07	0.06
Interest cost	0.05	0.05	-	-	0.05	0.05
Interest income	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
Included in OCI						
Net actuarial (gain)/loss and interest	(0.07)	(0.14)	-	-	(0.07)	(0.14)
Balance at March 31	**0.75**	**0.70**	**-**	**-**	**0.75**	**0.70**

Particulars	March 31, 2024	March 31, 2023
Represented by:		
Net defined benefit liability		
- Gratuity	35.85	32.32
- Earned leave encashment	14.42	17.09
- Post-retirement medical benefits	1.19	1.30
- Service award	0.75	0.70

I. Plan Asset

Plan assets comprises the followings: **(₹ Cr)**

Particulars	March 31,2024	March 31,2023
Equity securities	30%	30%
Government bonds	70%	70%

II. Actuarial Assumptions

The following are the principal actuarial assumptions for the gratuity plan at the reporting date:

(₹ Cr)

Particulars	March 31,2024	March 31,2023
Discount rate per annum	7.23%	7.50%
Expected return per annum on plan asset	7.50%	7.00%
Salary escalation per annum	5.00%	5.00%
Mortality	IALM (2012-14) U	IALM (2012-14) U

The following are the principal actuarial assumptions for the other defined benefit plans at the reporting date:

Particulars	Earned leave encashment		Post -Retirement medical benefits		Service award	
	March 31,		March 31,		March 31,	
	2024	2023	2024	2023	2024	2023
Mortality table (before retirement)	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U	IALM (2012-14) U
Mortality table (after retirement)	NA	NA			NA	NA
Discount rate	7.23%	7.50%	7.50%	7.50%	7.23%	7.50%
Attrition rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The estimates of salary escalations considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

III. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹Cr)

Particulars	March 31,2024		March 31,2023	
	Increase	Decrease	Increase	Decrease
Gratuity				
Discount rate (+/- 100 BP)	41.57	44.56	43.45	46.64
Salary escalation per annum (+/- 100 BP)	43.89	42.09	45.94	44.00
Mortality (+/- 10%)	43.01	43.01	44.99	44.99
Attrition rate (+/- 100BP)	43.15	42.84	45.16	44.79
Earned leave encashment				
Discount rate (+/- 100 BP)	13.74	15.18	16.26	18.01
Salary escalation per annum (+/- 100 BP)	15.16	13.74	17.98	16.27
Mortality (+/- 10%)	14.43	14.43	17.10	17.10
Attrition rate (+/- 100BP)	14.47	14.37	17.16	17.02
Post -Retirement medical benefits				
Discount rate (+/- 100 BP)	1.17	1.20	1.22	1.38
Salary escalation per annum (+/- 100 BP)	-	-	-	-
Mortality (+/- 10%)	1.19	1.19	1.30	1.30
Attrition rate (+/- 100BP)	1.19	1.18	1.31	1.30
Service award				
Discount rate (+/- 100 BP)	0.70	0.80	0.70	0.71
Salary escalation per annum (+/- 100 BP)	-	-	-	-
Mortality (+/- 10%)	0.75	0.75	0.70	0.70
Attrition rate (+/- 100BP)	0.70	0.80	0.65	0.76

The sensitivity analysis above has been determined based on projected unit credit method. There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed.

Expected maturity analysis of the defined benefit plans in future years **(₹ Cr)**

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
- Gratuity	7.66	8.41	15.56	11.37	43.00
- Earned leave encashment	2.51	2.52	4.80	4.59	14.42
- Post- retirement medical Benefits	0.18	0.20	0.42	0.40	1.19
- Service award	0.05	0.04	0.12	0.53	0.75
Total	**10.41**	**11.18**	**20.89**	**16.88**	**59.36**

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2023					
- Gratuity	7.57	7.02	16.71	13.68	44.98
- Earned leave encashment	2.81	2.31	5.63	6.34	17.09
- Post-Retirement medical benefits	0.18	0.18	0.45	0.49	1.30
- Service award	0.10	0.12	0.26	0.22	0.70
Total	**10.66**	**9.63**	**23.05**	**20.73**	**64.07**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2024: 10 years)

Obligations on post-retirement medical benefits, compensated absences and service awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

Provident Fund and Superannuation Fund:

The amount expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹ 5.62 Cr (Previous year ₹ 5.85 Cr) and ₹ 6.18 Cr (Previous year ₹ 7.09 Cr) respectively.

17. Financial Instruments - Fair Value Disclosures

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

(₹ Cr)

Financial Assets/ Financial Liabilities	Fair value as at		Fair Value hierarchy	Valuation techniques & key inputs used
	March 31, 2024	March 31, 2023		
Investments in unquoted equity Instruments at FVTOCI				
Indian Potash Ltd	453.45	335.93	Level-3	Refer Note Below
Fortune Biotech P Ltd	1.32	1.06	Level-3	Refer Note Below

Note:

Unquoted Equity shares

The fair value of the unquoted equity shares has been estimated at Net Book Value model based on the latest available audited consolidated financial statements of M/s Indian Potash Limited and Standalone Financial Statements of M/s Fortune Biotech Limited (FBL) for the year ended 31st March 2023.

Fair value of financial assets and financial liabilities that are equivalent to it carrying amount which are subsequently measured at amortized cost:

The Management assesse that trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities, fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

(₹ Cr)

Description	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets					
Loans	NA	21.40	21.40	18.37	18.37
Trade receivables	NA	321.32	321.32	503.61	503.61
Cash and cash equivalents	NA	551.14	551.14	369.13	369.13
Bank Balances other than cash & cash equivalents	NA	12.41	12.41	30.02	30.02
Other financial assets	NA	24.55	24.55	7.92	7.92
B. Financial Liabilities					
Borrowings	NA	1,583.24	1,583.24	1,494.07	1,494.07
Trade payables	NA	283.14	283.14	287.69	287.69
Lease Liabilities	NA	-	-	0.02	0.02
Other financial liabilities	NA	109.92	109.92	132.55	132.55

i. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Reconciliation of Level 3 fair value measurements

(₹ Cr)

Description	**March 31, 2024**	**March 31,2023**
Opening Balance	336.99	250.50
Add : Withdrawal of Provision Made	0.19	0.19
Add - Fair value gain/(loss) recognized in OCI	117.59	86.30
Closing Balance	454.77	336.99

18. Capital Management:

For the purpose of the Company's Capital management, capital includes equity capital and all other reserves. The Company's capital management objective is to maximize the total shareholder return by optimizing cost of capital through flexible capital structure that supports growth.

The Company manages its capital structure and makes adjustments in the 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 using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits.

Gearing Ratio: **(₹ Cr)**

Particulars	March 31, 2024	March 31, 2023
Debt (Incl. Lease Liabilities)	1583.24	1,494.07
Less: Cash and bank balances	563.55	399.15
Net debt	1,019.69	1,094.94
Total equity	(189.72)	(287.07)
Net debt to total equity ratio	-	-

19. Financial Risk Management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and equity risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

Borrowings, trade payables and other financial liabilities constitute the Company's primary financial liabilities and investment in unquoted equity shares, trade receivables, loans, cash and cash equivalents and other financial assets are the financial assets.

a. **Credit Risk**

Trade receivables

Credit risk refers to the risk of default on the receivables to the Company that may result in financial loss. The maximum exposure from trade receivables is amounting to ₹ 321.32 Cr as of March 31, 2024 (₹ 503.61 Cr as of March 31, 2023).

Trade receivables mainly constitute subsidy receivable from Government of India and from sale of manufactured and traded fertilizers to dealers. As far as Government portion of receivables is concerned, risk of default is nil or insignificant, subject to approval of subsidy rate by Government of India. In the case of dealers, credit risk is being managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to allow credit terms in the normal course of business. In the case of the Company, the credit period offered varies between 30 to 60 days. There have been few cases of impairment historically for which the Company has made requisite provisions.

Investment in unquoted equity shares

The Company has investments in unquoted equity shares of Indian Potash Limited and Fortune Bio-Tech Limited. The Company does not expect any losses from non-performance by the investee companies and hence no impairment is recognized in the Statement of Profit and Loss.

Loans and Advances

The company provides loans / advances to its employees on concessional or interest free basis. The company manages its credit risk in respect of such loans to employees through recovery of the same in a number of predetermined installments.

Cash and cash equivalents, deposits with banks and other financial Assets

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings. Therefore, the risk of default is considered to be insignificant.

In case of other financial Assets, there are certain credit impaired cases mainly due to breach of contract arising due to default, or bankruptcy proceedings.

Summary of exposures to financial assets provided below : **(₹Cr)**

Financial asset	Exposure as at	
	March 31,2024	March 31, 2023
Investments	454.77	336.99
Loans	21.40	18.37
Trade receivables	321.32	503.61
Cash and cash equivalents	551.14	369.13
Bank Balances other than cash & cash equivalents	12.41	30.02
Other financial assets	24.55	7.92
Total	**1385.59**	**1,266.04**

Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses

The Company's customer base is the Government of India and a number of dealers. Historically the risk of default is very low. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

The company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables excluding Subsidies from the Government and other financial Assets. The provision matrix of ECL for Trade Receivables at the end of reporting period is as follows:

Particulars	Expected Credit Loss %
Within credit period or upto 6 months past due	0 %
More than 6 months past due	100%

Movement in expected credit loss allowance **(₹ Cr)**

Particulars	Ageing as at	
	March 31, 2024	March 31, 2023
Trade Receivables(excluding subsidy from GOI)		
Opening Balance	3.81	3.81
Movement in the expected credit loss allowance	(0.08)	-
Closing Balance	**3.73**	**3.81**
Investments		
Opening Balance	0.19	0.38
Movement in the expected credit loss allowance	(0.19)	(0.19)
Closing Balance	**-**	**0.19**
Other Financial Assets		
Opening Balance	1.58	1.58
Movement in the expected credit loss allowance	(0.19)	-
Closing Balance	**1.39**	**1.58**

b. Liquidity risk

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.

Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹Cr)

March 31, 2024		Contractual cash flows					
Financial liabilities	**Carrying amount**	**Less than a year**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**	**Total**
Borrowings	1583.24	1583.24	-	-	-	-	1583.24
Lease Liabilities	0.00	0.00	-	-	-	-	0.00
Trade payables	283.14	283.14	-	-	-	-	283.14
Other financial liabilities	109.92	109.92	-	-	-	-	109.92
TOTAL	**1,976.30**	**1,976.30**	**-**	**-**	**-**	**-**	**1,976.30**

March 31, 2023		Contractual cash flows					
Financial liabilities	**Carrying amount**	**Less than a year**	**1-2 years**	**2-3 years**	**3-5 years**	**More than 5 years**	**Total**
Borrowings	1494.07	1494.07	-	-	-	-	1494.07
Lease Liabilities	0.02	0.02	-	-	-	-	0.02
Trade payables	287.69	287.69	-	-	-	-	287.69
Other financial liabilities	132.55	132.55	-	-	-	-	132.55
TOTAL	**1,914.33**	**1,914.33**	**-**	**-**	**-**	**-**	**1,914.33**

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the entity comprises three types of risk: currency risk, interest rate risk and equity risk.

Financial instruments affected by market risk include borrowings, trade payables in foreign currency and investment in unquoted equity shares. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

d. Currency risk

The Company executes import agreements for the purchase of raw materials, stores & spares and Property Plant & Equipment. These are not hedged by the Company owing to the materiality of such foreign exchange gain / loss values.

The currency profile of financial liabilities is as below:

(₹ Cr)

Particulars	**March 31, 2024**	**March 31, 2023**
Trade payables	-	-

Sensitivity analysis

A strengthening / weakening of the Indian Rupee, as indicated below, against the foreign currency as at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on

foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ Cr)

Particulars	As at March 31,2024		As at March 31,2023	
	Profit and loss		Profit and loss	
10% movement	Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
Trade payables denominated in foreign currency	-	-	-	-

e. Interest rate risk

The Company is not exposed to any interest rate risk as the interest rate on the sole borrowing from GOI is fixed in nature.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ Cr)

Particulars	March 31, 2024	March 31, 2023
Financial assets		
Fixed-rate instruments		
Employee loans	21.40	18.37
Financial liabilities		
Fixed-rate instruments		
GOI Term loan	554.24	554.24
Cash Credit from bank	153.43	118.84

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortized cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

f. Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Company, the sole investment in equity shares is unquoted and therefore, the Company is not exposed to equity price risks. However there can be changes in fair value of equity investments based on valuations done at different reporting periods owing to the operations and general business environment in which the investee operates. In general, the investment is not held for trading purposes.

Equity price sensitivity analysis

A 5% change in the fair value of equity instruments held as at March 31, 2024 and March 31, 2023 would result in an increase/ decrease of ₹22.74 Cr and ₹16.85 Cr in fair value of the equity instrument respectively.

20. Revenue from Contract with Customers:

a. The Company generates revenue primarily from manufacturing and trading of Fertilizers. The Company has recognized revenue by satisfying its performance obligations at a point of time basis.

b. The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ Cr)

Particulars	For the year ended March 31,	
	2024	2023
Revenue from Sale of Products	243.73	307.79
Subsidy Income from Government	1982.95	3,139.30
Total	**2226.68**	**3,447.09**

As per the GO D(FA)/CCEA/2011 dated 12/10/2012 issued by the DoF the company has to collect Rs 50/MT on sale of products to dealers which have to be utilized for the purpose of Purchase / Maintenance of POS machine and other promotional activities. During the current Financial Year company has collected Rs 2.14 Cr in accordance with the above GO. The said sum is not included under revenue from sale of products

c. Contract Assets and Liabilities: **(₹ Cr)**

Particulars	As at March 31,	
	2024	2023
Contract Assets:		
Trade Receivables	0.11	10.81
Subsidy Receivables	321.21	492.80
Total	**321.32**	**503.61**
Contract Liabilities:		
Opening Balance	23.76	20.26
Less: Revenue Recognised	23.76	20.26
Add: Trade Advances	18.29	23.76
Closing Balance	**18.29**	**23.76**

Contract Liabilities in the Balance Sheet constitutes advance payments and billings in excess of revenue recognized. The Company expects to recognize such revenue in the next financial year. There were no significant changes in contract liabilities during the reporting period except amount as mentioned in the table and explanation given above. Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of delivery of the goods.

21. Subsidy under New Pricing Scheme (NPS) for Urea

Subsidy on Urea Sales for FY 2023-24 has been recognized at ₹ 1937.70 Cr in accordance with the policy parameters prescribed by Fertilizer Industry Coordination Committee(FICC) for escalation claim whereas subsidy for escalation claims provisionally approved by FICC amounts to ₹ 1935.59 Cr, the difference being an amount of ₹2.11 crores. The effect for the difference in the subsidy accounted will be considered as and when the final notification is received

based on the escalation / de-escalation of claims for FY 2023-24 to be submitted by the Company.

22. The company has made a request to Dept. of fertilizers, for granting additional subsidy of ₹ 64.97 Cr in order to compensate the higher cost of production of "N" due to usage of Naphtha as captive ammonia in production of complex fertilizers under Nutrient Based Subsidy (NBS) for the extended period from FY 2012-13 to till the conversion of feedstock to RLNG i.e. July,2019. The Additional Compensation will be considered as income, only when final order is received by the company from the Dept. of Fertilizers, Government of India.

23. Disclosure as per Ind AS 108 'Operating segments'

Basis for segmentation

In the case of the Company, Chairman & Managing Director(CMD) is considered to be the Chief Operating Decision Maker (CODM). The CMD reviews the performance of the Company and allocate resources based on the various management information reports provided by the respective departments of the Company.

The CODM reviews the performance of the Company primarily as two segments:

a. Fertilizers (Urea and NPK);

b. Other activities (Trading activities and Bio fertilizers);

However, since the revenue from other activities constitutes less than 5% of the reported revenue and no significant assets are employed for these activities, the management is of the view that the Company has only one reportable segment that relates to manufacture of sale of fertilizers.

Geographical information

The Company is in the operation of manufacture and sale of fertilizers within India, the entire revenue is domestic and all non-current assets are situated in India only.

Revenue from major customer

There is no single customer that accounts for more than 10% of the Company's revenue.

24. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006:

The total amount payable to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2023 as identified by the management and relied upon by the Auditors is provided below:

(₹ Cr)

S.No	Particulars	March 31, 2024	March 31, 2023
i.	Dues outstanding more than 45 days	0.07	16.79
ii.	Amount remaining unpaid as at the end of the year Principal Amount Interest Amount	16.22	24.57
iii.	The amount of interest paid in terms of Section 18 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
iv.	The amount of interest due and payable for the period of delay in making payment As per the terms of the Contract As specified in the Act	-	-
v.	The amount of interest accrued and remaining unpaid at the end of the year	-	-

MSME entities as declared by the vendor as per the requirement of MSME Act.

25. Corporate Social Responsibility (u/s135 of Companies Act) **(₹ Cr)**

Sl.No	Particulars	March 31, 2024	March 31, 2023
1.	Amount required to be spent on CSR expenditure in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014	2.77	0.30
2.	Amount unspent/ (excess spent) carried forward from earlier years	(0.23)	(0.41)
3.	Amount actually spent during the year	(6.33)	(0.12)
4.	(Excess amount spent carried forward)/ Short fall	(3.79)	(0.23)
5.	Reason for shortfall	NA	NA
6.	Nature of CSR Activity a. Oxygen Plant @ Govt. Stanley Medical College, Chennai b. Covid -19 Related Activities c. Others	 - - 6.33	 - - 0.12
7.	Details of related party transaction	Nil	Nil
8.	Where a provision is made with a respect to liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

26. The Sick Industrial Companies (Special Provisions) Act (SICA) has been repealed from December 01, 2016 and the Board for Industrial and Financial Restructuring (BIFR) stand dissolved from that date. The Company is pursuing legal options to file the Revival proposal to the National Company Law Tribunal (NCLT). However, based on PDIL report, The Company has submitted financial restructuring proposal with DOF, GOI for their consideration.

27. A. The wage revision applicable to supervisors has been approved by DoF during the current Financial year for the period commencing from 01.04.2023 to 31.03.2024. The company has made a provision towards the said liability amounting to Rs -2.45 Cr and the said is considered under employee benefit expenses in the statement of Profit.

    B. For Non-Supervisory employees approval for wage revision is pending with DoF, and hence no provision has been made for liability if any for the same in the accounts for the year.

28. Amount disclosed under exceptional Items

A. Income:-

Indian Oil Corporation Ltd (IOCL) is carrying out pipeline laying project in the land owned by MFL. The land utilized for this purposes is 1H 31A 46 SQM. The Company has been awarded Rs 6.32 Cr by Indian Oil Corporation Ltd under Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act 1962, (Award No. 01/2023 ETBPNMTPL – SPUR LINE Dated 15/06/2023) for the use of the land for laying down the pipeline beneath the said land. The award received is disclosed under exceptional items in the statement of Profit & loss for the current Financial Year. The company has considered the same as an output service under GST regulations and has reckoned Rs 1.14 Cr as GST realizable from the IOCL which is pending for confirmation.

B. Expenditure:-

The amount of Rs 56.31 Cr shown under exceptional item consists of loss of inventory due to Michaung cyclone floods in Chennai during the month of December 2023.

29. Consequent upon reduction in the rate of gas price taken into consideration for determination of subsidy rate for FY 2020-21, a sum of Rs 0.92 Cr has been refunded by GAIL from gas pool account. The said sum has been considered under other operating income.

30. Penalty on Non-Compliance of Composition of Board:

The company is not having the required number of Independent Directors on its Board due to vacancy arising out of expiry of term from 6th June, 2019 onwards. Accordingly, National Stock Exchange ('NSE") has levied a penalty of ₹ 1.03 Cr on the said non-compliance, which has been duly paid by the company.

Being a public sector undertaking, appointment of independent directors on the board lies in the hands of the Govt. of India, which is to be treated as Impossibility of compliance. The company has shown the said amount under "Other Financial Assets - Current", as the same can be claimed back once the said non-compliance is being rectified by the company.

31. Other Statutory Information:

a. The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. For immovable properties given as collateral security for loans from banks and financial institutions, the title deeds were deposited with the said banks/ financial institutions.

b. The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

c. The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.

d. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date other than sum of Rs 7.68 Cr being the funds raised on short-term basis used for long-term purposes.

e. Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the Registrar of Companies, within the prescribed time. However, in respect of certain Modification and Satisfaction of charges relating to the year under review, the Company is in the process of filing the necessary forms with the Registrar of Companies.

f. There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

g. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases:

₹ Cr

Quarter ended	As per financials	As per returns filed with banks	Variation*
June 30, 2023			
Inventories	234.81	236.92	(2.11)
Trade receivables	134.21	321.20	(186.99)
Trade payables	226.11	350.50	(124.39)
September 30, 2023			
Inventories	263.94	258.64	5.30
Trade receivables	186.59	185.27	1.32
Trade payables	288.24	286.76	1.48

Quarter ended	As per financials	As per returns filed with banks	Variation*
December 31, 2023			
Inventories	222.50	187.47	35.03
Trade receivables	187.20	343.08	(155.88)
Trade payables	211.67	278.86	(67.19)
March 31, 2024			
Inventories	206.25	188.78	17.47
Trade receivables	321.31	267.46	53.85
Trade payables	283.14	312.52	(29.38)

h. The Company is not declared as willful defaulter by any bank or financial Institution or other lenders.

i. The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

j. The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

k. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

l. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

   i. 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

   ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

m. The company has also 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

   i. 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

   ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

n. The Company do not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

o. The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

32. The Company is in the process of signing MOU with DOF for the FY 2023-24 and is yet to be signed.

33. Balances shown under trade receivable, advances and trade payables are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute with respect to the recoverability/payment of the same.

In the opinion of the management, the value of current assets, current liabilities, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

34. The Company is engaged in manufacturing and trading of fertilizers, which is an essential input for agriculture. Central and State Governments are giving top most priority on agriculture activities during Covid19 situation also. The Company expects to continue the normal operations and does not expect any impact of Covid19 in its operations which is evident from the fact that the production of Urea during the year 2023-24 is at 88.85% capacity with 4,32,500 MT of Urea production.

35. Amount in the standalone financial statements is presented in Cr (up to two decimals) except for per share data and as other-wise stated. Certain amounts, which do not appear due to rounding off, are given as follows:

Balance Sheet Items **(₹)**

Description	Note No.	As at March 31,	
		2024	2023
Cash and Cash Equivalents	**9**		
Cash on hand		1,001.00	1,001.00
Profit on Sales of PPE	**19**	25,507.81	
Dismantled/Scrapped Assets			31,134.83
Assets held for Sale		18,484.00	18,484.00

36. The figures for the previous year have been regrouped / reclassified to correspond with the current year's classification and disclosure.

/For and on behalf of Board of Directors/

Neeraja Adidam
Chairman and Managing Director
DIN: 09351163

Dr. K. Jayachandran
Director - Technical
DIN:10062573

Priya Ranjan Panda
Chief Financial Officer &Compliance Officer

/As per our Report of even date/

For **Chandran and Raman**
Chartered Accountants
Firm Regn. No.:00057IS

S Pattabiraman
Partner
Membership No. 014309

Place: Chennai
Date: 28/05/2024

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Executives of the Company

Shri N Ram Kumar, IRS
Chief Vigilance Officer

Shri A Madhan Mohan
Chief Financial Officer

Shri B Somu
General Manager - Personnel & Administration

Shri T Vannia Perumal
General Manager – Plant (Additional Charge)

Shri B Annil Kumar
General Manager - M & D (Additional Charge)

Shri J Srinivasa Saravanan
Company Secretary & Compliance Officer

सत्यमेव जयते

महा निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Director General of Audit
(Agriculture, Food & Water Resources), New Delhi

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

गोपनीय

रिपोर्ट/2-248/डी.जी.ए./(ए.एफ.&डब्ल्यू.आर)/Acts/MFL/2024-25/3082

दिनांक :-13/09/2024

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,
मद्रास फ़र्टिलाइज़र्स लिमिटेड,
पोस्ट बैग संख्या 2, मनाली,
चेन्नई- 600068

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत मद्रास फ़र्टिलाइज़र्स लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वितीय खातों पर टिप्पणियाँ ।

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत मद्रास फ़र्टिलाइज़र्स लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वितीय खातों पर शून्य टिप्पणियाँ भेजी जा रही है।

कृपया इस पत्र की पावती भेजने की कृपा करें।

भवदीय,

संलग्न: यथोपरि

13/09/2024

(संदीप लाल)
महानिदेशक लेखापरीक्षा, केन्द्रीय व्यय
(कृषि, खाद्य एंव जल संसाधन)

आठवाँ व नवाँ तल, संकाय भवन, 10 बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002
8th & 9th Floor, Annexe Building, 10 Bahadur Shah Zafar Marg, New Delhi- 110002
दूरभाष/Phone : 011-23239419, 23239420 फैक्स/Fax : 91-11-23239416, E-mail : dgaafwr@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADRAS FERTILIZERS LTD FOR THE YEAR ENDED 31 MARCH 2024

The preparation of financial statements of **Madras Fertilizers Ltd** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report 28 May 2024.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Madras Fertilizers Ltd** for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

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For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Date:13 .09.2024

13/09/2024

(Sandeep Lall)
Director General of Audit Central Expenditure
(Agriculture, Food & Water Resources)