MATIX
FERTILISERS AND CHEMICALS

Empowering Agriculture. Enriching Communities.

ANNUAL
REPORT
2022-23

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View our Annual Report online
https://matixgroup.com

At Matix Fertilisers and Chemicals Limited (Matix), our young beginning is fuelled by spiritedness, dynamism and determination. It accentuates our ambition for excellence while ensuring the prosperity of our farmers and the community.

This dedication is reflected in every facet of our operations. We have established a large manufacturing facility in the heart of eastern India's agricultural belt and **are constantly expanding our portfolio of products** and geographical presence to meet the growing demand of farmers in our region of operations. Our efforts extend further to an extensive and expanding distribution network, ensuring the widest reach. We also take pride in pioneering farm initiatives and responsible practices that help maximise farm productivity safely and sustainably.

Our unrelenting quest has empowered farmers and stakeholders alike, propelling us to become one of India's fastest-growing fertiliser companies and the second-largest private-sector urea manufacturer.

Beyond business, we strive to differentiate by making impactful contributions to societal well-being and championing environmental sustainability. Drawing upon our **excellence and passion for improving agricultural practices and spreading knowledge,** we are helping advance the nation's agenda of Atmanirbhar Bharat (self-reliance) in food security.

Headed into the future, we stand resolutely at the forefront, fortified by an irrepressible vitality that defines us. In the years to come, Matix will continue its journey of **empowering agriculture** and **enriching communities** for a better, more sustainable India.

About Matix Fertilisers and Chemicals Limited

Accelerating farm productivity and national prosperity

Specialising in providing high-quality crop nutrient products and farm advisory services, we play an integral role in India's agricultural landscape. We are focussed on sustainably enhancing India's food-growing ecosystem through innovative, high-impact environment-friendly solutions.

Located strategically in thriving agriculture-oriented eastern India, we are catalysing agricultural landscape transformation across the region by addressing the evolving farm requirements. Central to this is our fully integrated, world-scale 1.27 MTPA gas-based greenfield urea plant equipped with a 54 MW captive power unit, dual rake railway siding and utilities.

We offer a wide range of products, from urea to imported DAP, NPK, MOP and diverse contract-manufactured crop nutrition and soil-enhancing solutions, that contribute to optimising yields sustainably. Our offerings cater to a ready demand and are efficiently delivered through our multimodal transportation system, enhancing our brand equity among the region's farming community.

Considering sustained progress an imperative for growth, we have significantly expanded our operational footprint, establishing a presence in the northeastern states of Assam and Tripura. Furthermore, we have entered the northern states of Punjab, Haryana and Uttar Pradesh and established state offices, aiming for a deeper understanding of farmer's needs and better align our products and services to fulfil their expectations.

At Matix, sustainable agriculture is both our mission and responsibility, as we strive to contribute to the nation's food security future while embracing harmony with nature.

Vision

The nourishment of every farm to enable food for all

Mission

To advance the agri-food ecosystem with products and solutions that are innovative, productive and planet-friendly

Values

The convictions and priorities that drive Matix are

Mindfulness about what matters

Agility to engage, to adapt, and move forward

Transparency to ensure open dealings and clear communication

Innovation to re-define boundaries and thrive in a VUCA (volatile, uncertain, complex, and ambiguous) world

X-factor the intangible that provides the extra-cutting edge

2nd largest
Private-sector manufacturer of urea

~20%
Market share in Eastern India

1.27 MTPA
Urea production capacity

105.81%
Capacity utilisation in 10 months of operation

9
States covered

9
Products

1,021
Dealers

51,157
Retailers

91
Handling and transportation contractors

Highlights of the year

Reflecting a year of achievements, expansion and progress

Apr 2022

- Successfully completed annual maintenance within planned timelines

May 2022

- Undertook product diversification in May 2022 with the launch of Agrochemical sales

Jun 2022

- Conducted a free Covid-19 vaccination campaign at Pr. MO (then Central Marketing Office) in collaboration with Dipakshi Hospital, Noida
- Conducted International Yoga Day and Football Tournament

Jul 2022

- Expanded Product Basket with the inclusion of new product 'Oromate'
- 500 saplings planted

Aug 2022

- Augmented product basket with launch of new product 'Zyme'
- Recorded highest-ever road despatches from the Plant (2,511 MT on August 25, 2022) in a single day and achieved the highest-ever monthly road despatches (29,407.28 MT)
- Attained an all-time high POS with 156,341 MT during the month
- National Sports Day conducted for employees

Sep 2022

- New product 'Single Super Phospate' was added to the product basket
- Profitability exceeded ₹ 5 Cr. in trading products during the month
- Organised Matix Leadership Meet

Oct 2022

- Expanded geographical reach by initiating Urea despatch in Punjab and Haryana
- Diversified product line by introducing new products 'City Compost', 'PROM' and 'Mycorrhiza'

Nov 2022

- Launched Mobile Soil Testing Lab
- Matix Day Celebration & Long Service Awards organised

Dec 2022

- Signed three MOUs for bulk fertiliser with reputed international suppliers
- In-Service Training conducted at Siliguri, Noida, Konark

Jan 2023

- POSH training conducted for employees

Feb 2023

- Conducted a dealer meeting in Odisha

Mar 2023

- Crossed ₹ 100 Cr. in sales in traded products
- Matix Premier League (Cricket Tournament of Employees) was held

Advantage Matix

Cornerstones of our enduring success

We have strategically carved a distinctive edge in the industry encompassing all aspects of business right from operations to distribution network and brand presence to a focus on sustainability. These have set the foundation for our objectives of sustained, fast-paced growth with enduring value-creation, aligning with our commitment to serve the agrarian economy.

Strategically located

- Sole urea manufacturer in West Bengal catering to the high-demand, agriculture-centric eastern India market
- Equipped with ready-to-use industrial land and utilities along with support infrastructure ensuring the ability to fast-track industrial projects

Assured long-term gas supply

- Long-term gas supply agreement with GAIL for the supply of natural gas through national gas grid as a feedstock

Extensive distribution network

- Robust distribution network comprising 1,021 dealers and 51,157 retailers across nine Indian states
- Strong dealer network ensuring full coverage in core marketing territory

Multimodal connectivity

- Proximity to the national highway facilitating cost-effective nationwide deliveries, supported by seamless road and rail connectivity
- Proximity to ports (Kolkata 170 km, Haldia 250 km) and to Airport (Durgapur Airport 40 km and Kolkata Airport 155 km), offering enhanced logistical efficiency
- Private rail line connected to the National Rail Network ensures enhanced connectivity

Manpower excellence

- Led by seasoned professionals having 100+ years of combined experience in the fertiliser industry
- Experienced team of 100 sales and marketing individuals with on-ground experience
- Team with project planning and operations skill sets

Trusted brand

- Consistently delivering superior quality products and services with dependable availability
- Dr. Fasal as a well-established and respected brand, positioned to meet the growing demand
- Sustained new product development

Export and import capabilities

- Access to two ports offering opportunity for efficient containerised cargo handling for international markets

Sustainable operations

- Optimised carbon emissions backed by energy-efficient operations
- Captive water treatment and effluent treatment plants

Execution and operational excellence

- Ingrained ability to execute and manage world-class industrial manufacturing plants
- Plant equipped with world-class technology and equipment

Message from the Chairman

Our performance in FY 2022-23 was characterised by production surpassing operational capacity combined with high energy efficiency.

Dear Stakeholders,

It is with immense pleasure that I present to you our FY 2022-23 annual report, as we complete our first full year of operations.

Realising our vision of designing, building, and successfully operating India's largest single-stream urea plant fills us with a profound sense of satisfaction. This required a lot of conviction, courage, and commitment. I note with pride that our team rose to the occasion with grit and determination. Bearing witness to our asset's success reaffirms the confidence that we had in ourselves.

Our performance in FY 2022-23 was characterised by production surpassing operational capacity combined with high energy efficiency. The past year saw us expand our footprint across the northern states, bolstering our extensive distribution infrastructure to better serve the farming community. The northeastern 'Seven Sisters' states now represent the next frontier and are already a part of our larger outreach programmes. Taking Matix's range of products and essential support services to this under-explored market, will surely empower the farmers in these regions to better realise their potential in fruit and cash crop production.

The progress until now is inspiring. Yet this is just the beginning for us. The criticality of the agricultural sector, buoyed by the support from the Governments of India and West Bengal, will provide us with significant opportunities to expand our horizons.

Sustainable agriculture for a changing world

The year gone by was marred by several global challenges. Economies worldwide grappled with the ripple effects of geo-political conflict. Supply chains were disrupted, hindering what was expected to be a swift recovery post-COVID. Despite the prevailing global environment, it was encouraging to witness India shine through as a beacon of growth.

More importantly, the events of the past year highlighted the urgency of food security amidst heightened global inflation and surging food prices. The emergence of self-sufficiency and sustainability in the agricultural sector has been made abundantly clear. Matix, stands committed to spearheading the cause of empowering agriculture.

“As a young company with a motivated team, we are dedicated to serving our nation and our farmers. Our goals are driven by the larger 'Make in India' agenda with a focus on helping improve food security.

As a young company with a motivated team, we are dedicated to serving our nation and our farmers. Our goals are driven by the larger 'Make in India' agenda with a focus on helping improve food security. We intend to do this by striving to address the needs of farmers. Our approach is simple: empowering the farmer with products and services that foster prosperity and self-sufficiency. This is aligned with our larger objective of enriching communities, a journey that we have started out on.

Thriving on challenges

FY 2022-23 was an exceptional year of accomplishments for Matix. Our team worked tirelessly to stabilise and improve operations. The year saw us set new benchmarks in energy consumption norms and production while strengthening our foothold in non-urea segments. Notably, this was achieved despite a mandatory work maintenance shutdown, a challenge we planned for and executed during the off-season, allowing us to catch up on production. I am pleased to report that we have completed all vital repairs and are positioned for uninterrupted operations in FY 2023-24.

During the year, we intensified our focus on portfolio expansion with amplified visibility for our Dr. Fasal brand through our products like Zyme, City Compost, and Calcium Nitrate amongst others.

Creating new engines of growth

India faces an average supply deficit of 7 million metric tonnes per annum for urea. With the government's vision of being 'Atmanirbhar' (self-reliant) in urea production, significant opportunities are expected to come up, especially in the eastern region which is poised to be the country's growth engine in fertiliser demand.

Capacity expansion is a pivotal focus at Matix. We are studying the plan to set up an additional plant aimed at enhancing our urea manufacturing capacities. The availability of established process technologies and our expertise in seamlessly executing brownfield projects position us advantageously. We have started working with industry leaders on this plan.

Matix is endeavouring to be a single-window provider of crop nutrition and crop protection solutions for the farming community. In this context, non-urea fertilisers, accounting for nearly 43% of total fertiliser usage, represent a key area for our growth. Our extensive distribution infrastructure across nine Indian states positions us attractively to succeed in this venture. We have already initialised plans to import significant quantities of non-urea fertilisers such as DAP, NPK and MOP.

Secondly, we are deepening our presence in agro chemicals having entered this space through a trading route. We are working with leading multinationals and national players to distribute their products and look to expand under the trusted brand Dr. Fasal in the future.

Giving back has been central to our ethos. Our CSR initiatives, though recently initiated given our young organisation, are aligned with the United Nations Sustainable Development Goals (UNSDGs) focussing on the needs of our immediate communities

Leveraging the ready availability of ammonia at our plant, we are exploring new product opportunities for the growing mining, downstream chemicals and infrastructure sectors in India driven by progressive government reforms.

A brighter and sustainable tomorrow

Making a positive impact on people, the planet, and communities is a priority for Matix. Through investment in high-end technologies, processes, and the adoption of responsible practices, we aim to be among the most sustainable manufacturers. Efforts are underway to continually reduce greenhouse gas emissions, efficiently manage wastes, conserve water resources, and protect biodiversity.

Giving back has been central to our ethos. Our CSR initiatives, though recently initiated given our young

organisation, are aligned with the United Nations Sustainable Development Goals (UNSDGs) focussing on the needs of our immediate communities. Our chosen areas of activity are education, women empowerment, healthcare, and rural development. Over 9,500 lives have been positively touched by our actions so far.

We are also proud of our safety culture, implementing world-class practices that have ensured accident-free operations.

Closing thoughts

We acknowledge the responsibility upon us being engaged in a sector of utmost priority. The journey ahead is long, and we are determined to contribute constructively and achieve greater heights.

I thank the government for fostering policies that provide the necessary support and create a healthy environment where all thrive. I thank our supply chain partners who have helped establish our presence and brand reputation across the target markets.

A special acknowledgement to every member of the Matix family whose ongoing commitment helped set the foundation for the long-term success and realisation of our objectives.

Nishant Kanodia
Chairman

Letter from the Managing Director

We broadened our product portfolio and expanded our reach across nine Indian states in east, northeast and northern regions.

Dear Stakeholders,

In the past year, the Indian economy displayed resilience and thrived despite global challenges. Robust domestic consumption, healthy growth across all sectors, and the government's emphasis on self-reliance and manufacturing improved the country's global standing. As a key component of the economy and a priority for food security, the agriculture sector continued its steady growth. The ongoing government support to enhance farm productivity and farmer income remained a boon for the sector, despite the challenges of erratic and late rainfalls and high commodity prices.

Delivering well-rounded performance

Amidst this backdrop, Matix delivered a healthy performance, demonstrating the strength of our business model and commitment to farmers' welfare.

We broadened our product portfolio and expanded our reach across nine Indian states in the east, northeast and northern regions. The distribution network was made stronger with the addition of 468 dealers and 42,722 retailers during the year, bringing our total to 1,021 dealers and 51,157 retailers as on March 31, 2023. Our plant, built on world-class technology, operated with remarkable efficiency and effectiveness, thanks to the dedication of our skilled team, ensuring sustained above-capacity utilisation.

We closed FY 2022-23 with production and successful multimodal despatch of 1.05 million MT of urea across our target markets. Revenues reached ₹ 57,942.34 million with an EBITDA of ₹ 12,744.84 million, driven by our efficient operations. We expect further margin improvement through ongoing operational stabilisation and efficiency enhancements.

We have already initiated the import of DAP and NPK during the year and last-mile delivery is being ensured through our extensive distribution infrastructure. The farming community shall soon benefit from these nutrients.

Evolving into a total solution provider

While urea remains our core business, we understand the indispensable role of non-urea fertilisers, recognising the diverse nutrient needs of different soil types. This significance is evident in the fact that nearly 43% of all fertilisers consumed in India are non-urea-based. However, their combined production stands at 13 MTPA against a demand of 25 MTPA, leaving a supply gap of 12 MTPA.

To bridge this gap and help farmers enhance soil health and yield, we have introduced essential crop nutrients under the Dr. Fasal brand. We have already initiated the import of DAP, NPK and MOP during the year and last-mile delivery is being ensured through our extensive distribution infrastructure. The farming community shall soon benefit from these nutrients.

Matix now holds a unique reputation of serving two vital staple crop-producing regions: east India for rice and north India for wheat, both crucial in the nation's pursuit of 'Atmanirbhar Bharat' (self-reliance) and food security.

Further, insightful feedback from farmers and our team has highlighted a noticeable supply gap in crop protection products. This is crucial considering the high instances of unseasonal rain and crop infestations which impact yields and farmer incomes. In response, we made strategic entry into the agrochemicals space in 2022-23, offering top-quality crop protection products. Concurrently, we are actively promoting Matix Soil Testing Services to support and guide farmers in their soil practices towards a bumper crop.

With these efforts, we are now amongst the few companies offering full-service solutions to farmers, encompassing crop nutrition, crop protection, and soil testing studies – all seamlessly unified under the umbrella of Matix.

Extending our reach

This year, we successfully started serving the northern states of Punjab and Haryana, renowned as top wheat producers in India. Matix now holds a unique reputation of serving two vital staple crop-producing regions: east India for rice and north India for wheat, both crucial in the nation's pursuit of 'Atmanirbhar Bharat' (self-reliance) and food security.

Matix is aptly positioned to fulfil the farmer needs in eastern and northeastern parts where we maintain a substantial presence, commanding ~20% market share. We have also set up the distribution infrastructure and supplied products in Tripura, marking our presence in the ninth Indian state.

Positioned to deliver long-term value

Matix has grown and evolved substantially in the last year and a half. We are pleased to have built an organisation that has a distinctive competitive edge with an extensive and full-suite portfolio, an ever-growing distribution network and an experienced team. Our strategically located plant enables us to achieve national reach with optimised cost, facilitated by seamless connectivity through rail and road.

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The Yogendra Kanodia Corporate Centre

Our commitment to sustainability is at the core of our operations. Equipped with proprietary technologies, our plant is designed to consume less energy and water and effectively manage waste. In FY 2022-23, our energy consumption stood at a low of 5.14 Gcal/MT, and we are confident of further improving. Additionally, we maintain a greenbelt covering one-third of our plant area, housing nearly 75,000 plantations.

Inspired by our achievements, we are resolute in aiming higher and dedicated to the prosperity of our farmers. Plans are underway to expand capacity and enhance the portfolio of non-urea fertilisers and agrochemicals.

The future is exciting and the opportunities ahead are abundant. We sincerely seek the continued support and collaboration of all our stakeholders as we navigate this promising journey ahead.

Warm regards,

Manoj Mishra
Managing Director

Manufacturing competencies

World-class manufacturing for exceptional quality and efficiencies

High-quality and cost-effective crop nutrient products are critical to drive agricultural productivity. Acknowledging this, we have built one of India's largest and most sophisticated gas-based urea plant, operating consistently at over 100% capacity while ensuring superior quality and efficiencies. We have also partnered with contract manufacturers to widen our product range, ensuring superior quality to meet the diverse needs of farmers.

Our manufacturing facility

The manufacturing facility, located in Panagarh, West Bengal is spread across over ~500 acres. Having a capacity of 1.27 MTPA, this gas-based urea plant is among India's largest and most sophisticated facilities. The plant has been set up with the support of leading international technology partners, including proprietary technologies licensed from KBR, USA, for ammonia and Saipem, Italy, for urea.

Setting new standards of efficiency

Our plant, integrating ammonia production, captive power plants and with a secured long-term gas supply agreement with GAIL, is amongst the most operationally efficient units in India. It features a urea product handling system with six automatic bagging machines, two automatic rail wagon loaders and five semi-automated truck loading facilities. Matix's captive railway siding is connected to the national railway network. All of these ensure sustained raw material availability, low operating cost and efficient transportation of goods.

Leading sustainable practices

Our plant prioritises energy efficiency and conforms to rigorous environmental standards. Employing KBR's proven Ammonia Purifier™ process, we achieve cost and energy efficiencies and safety in downstream synthesis, while minimising environmental impact. Additionally, deployment of a robust Urea technology optimises operational efficiency by utilising ammonia to strip CO_2 from the urea solution.

The plant is further equipped with a 1,750 m^3/day water treatment plant and a reservoir for efficient water usage. We have also invested in an effluent treatment plant which ensures that we meet or exceed all applicable health, safety and environmental standards. Our captive railway siding ensures sustainable transportation with a low carbon footprint.

Manufacturing excellence at Matix

1.27 MTPA
Urea plant capacity

0.73 MTPA
Ammonia plant capacity

Certifications

ISO 9001:2015
Quality Management System

ISO 14001:2015
Environment Management System

ISO 45001:2018
Occupational Health & Safety Management System

TÜVRheinland CERTIFIED
ISO 9001:2015
ISO 14001:2015
ISO 45001:2018
www.tuv.com
ID 9000029206

Pioneering Urea production in eastern India

Located in eastern India, our Urea plant meets the growing needs of farmers seeking quality crop nutrients in this agriculturally vibrant region. We take pride in being amongst one of the first Urea plants in the east, establishing a strong brand connection and recall value with our valued farmers.

Scaling our manufacturing excellence

Our world-class manufacturing facility is pivotal in addressing the farmers' needs and ensuring their production benefits society. We therefore adopt robust operational practices and undertake continual improvement measures to optimise production levels and minimise emissions. Key measures undertaken in FY 2022-23 include:

- Cleaning and maintenance of gas turbine
- Cleaning Syngas compressor and Ammonia Refrigeration Compressor (ARC) turbines using copper slag blasting to lower steam consumption and prevent deposition

Preventive maintenance of the CO_2 compressor turbine involving rotor replacement, copper slag blasting in all CO_2 turbine, GBC, steam turbines of CO_2 compressor

Cleaning and timely repair work helped enhance the ammonia plant's load factor from 102% to 110%, adding 9% to the daily urea production

- Detailed plant investigation based on the load factor with close attention to the overall plant performance and correcting the tightness of ferrules in the high-pressure stripper arresting deviations, resulting in an increase in urea production by **~200 MTPD**

- Modification of LS network system to utilise LS steam, ensuring steam saving of **7-8 MT/Hr**
- Implementation of Woodward control system software for better control, reducing turbine speed to 200 RPM and leading to steam
- Timely cleaning of the Plate Heat Exchanger in the Ammonia plant for higher capacity utilisation of the CO_2 removal system and thus reduced emissions
- Increased lean flow control valve bypass line in the high-pressure Flash Gas Absorber of the ammonia, maximising CO_2 recovery from purge gas and boosting daily urea production by **20 MT**
- Reduced ammonia manufacturing time during plant start-up to 2 hours, resulting in additional urea production of **320 MT** in every start-up
- Installation of an additional bagging machine and two belt conveyor series in the Urea Plant Handling, reducing operational complexities and energy consumption

Capacity utilisation

105.81%

Average capacity utilisation with 10 months of operations

Product portfolio

Elevating farm productivity with a superior portfolio

We offer a comprehensive range of crop nutrition and protection solutions. Backed by superior quality and performance parameters, our products are finding greater resonance with the farming community, helping us rapidly gain market share. While Urea continues to be our primary revenue driver, the portfolio under Dr. Fasal's brand is fast growing.

Matix portfolio

~20%
Urea market share in India's Eastern region

9
No. of Dr. Fasal brand products launched

Our diverse portfolio

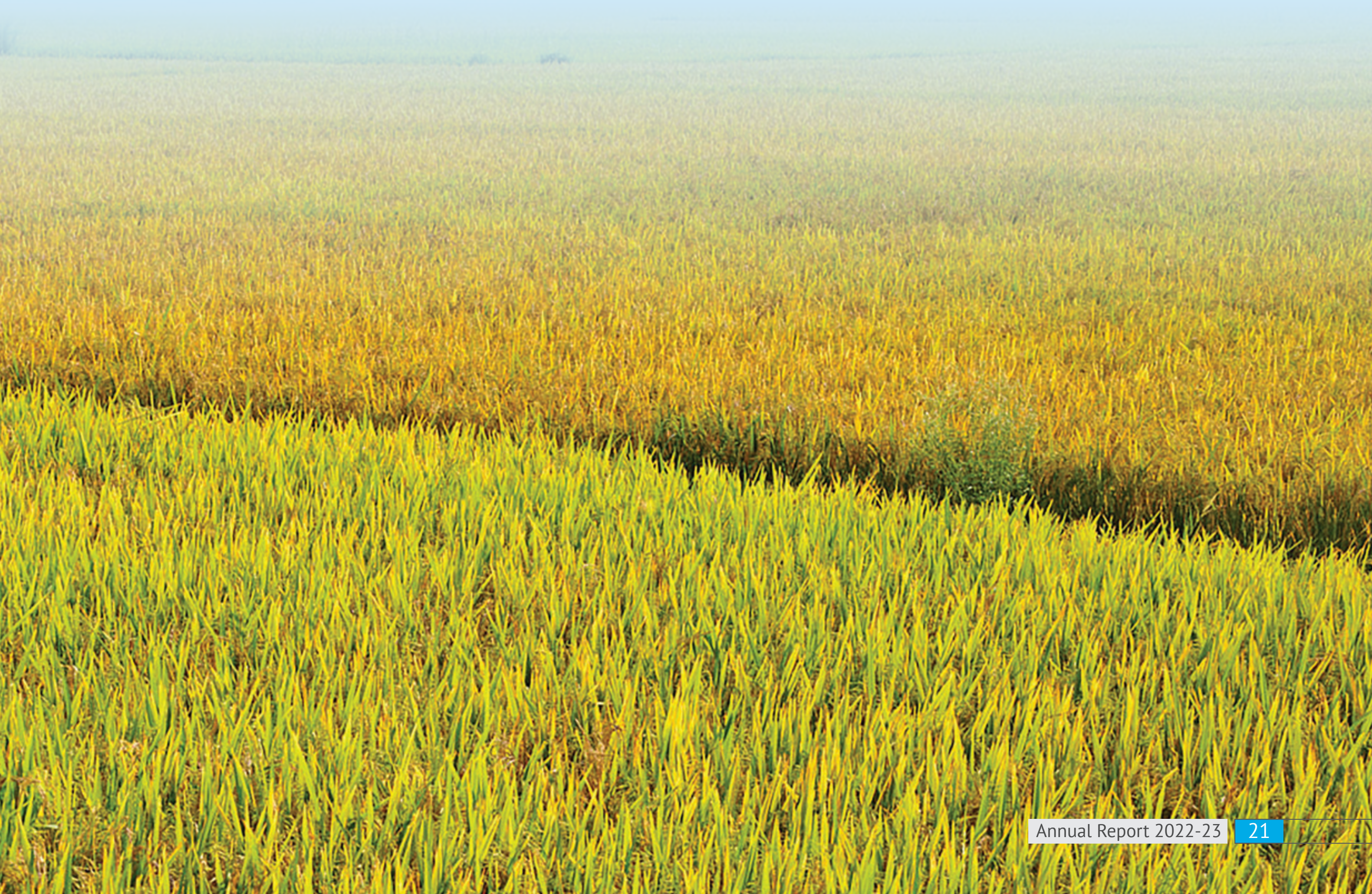
Own manufactured product
Urea

Domestically traded products

Co-marketing
Agrochemicals

Marketing arrangement
Single Super Phosphate (SSP)

Dr. Fasal range of products
PROM, Zyme, ZINC, City compost, Micronutrient mixture, Mycorrhizal Bio-fertilisers, Potash derived from molasses (PDM)



Urea

Urea, a white crystalline solid with 46% nitrogen content, is the highest among solid nitrogen fertilisers. Being more resistant to moisture, it can be directly applied to soil with standard equipment. Widely used in the agriculture industry, its an essential nutrient for plant growth, boosting crop yield and health. Versatile and effective, its a cornerstone of modern farming, contributing to increased agricultural productivity.

DAP

Diammonium phosphate (DAP) is a widely used phosphorus fertiliser worldwide. It contains two essential nutrients vital for plant growth: nitrogen and phosphorus.

NPK (10:26:26)

NPK (10:26:26) is a DAP-based composite fertiliser with relatively high levels of phosphorus and potassium. It is a valuable tool for addressing phosphorus and potassium deficiencies in agricultural soils, especially in soils prone to leaching. It also promotes root development, flowering, and fruiting in plants.

MOP

MOP (Muriate of Potash) or potassium chloride, is a common potassium (K) fertiliser mainly applied in agriculture. It is essential for plant growth, stress tolerance, and ensuring fruit quality. It can help enhance disease resistance in plants and is valuable for soils deficient in chloride.

Dr. Fasal brand products

Zinc sulphate heptahydrate
Essential to root growth and several important enzyme systems in plants.

Potash derived from molasses
Manufactured from sugarcane molasses; several benefits for photosynthesis, plant growth and soil health.

Zinc sulphate monohydrate
Vital for photosynthesis, carbohydrate metabolism, sucrose and starch formation.

City compost
Bio-degradable organic fertiliser manufactured from city waste including crop residues, vegetables, leaves, and fruit.

Micronutrient mixture
Improves chlorophyll formation, plant yields, and resistance to pests.

Phosphate Rich Organic Manure
Improves physical and chemical properties of the soil for water-holding capacity and microorganism stimulation.

Calcium nitrate
Important secondary nutrient with several benefits for plants.

Zyme
Bio enzyme granules made from organic Ascophyllum nodosum/seaweed extract; rich in macro-nutrients for significantly increased crop yields.

Mycorrhizal Bio-fertiliser
Microorganisms that colonise the rhizosphere; and help increase the supply of soil nutrients to the plant.

Product category-wise FY 2022-23 sales (in volume)

1,045,239.485 MT
Urea

26,527 MT
Other traded products (MT)

16,856 MT
Single Super Phosphate (marketing arrangement)

2.8 Million
Agrochemicals

9,587.570 MT
Dr. Fasal brand products

Sales turnover (in value)

Fertiliser

₹ 5,499 Crore

Non-Fertiliser
(Crop nutrition and crop protection)

Co-Marketing
₹ 62.83 Crore

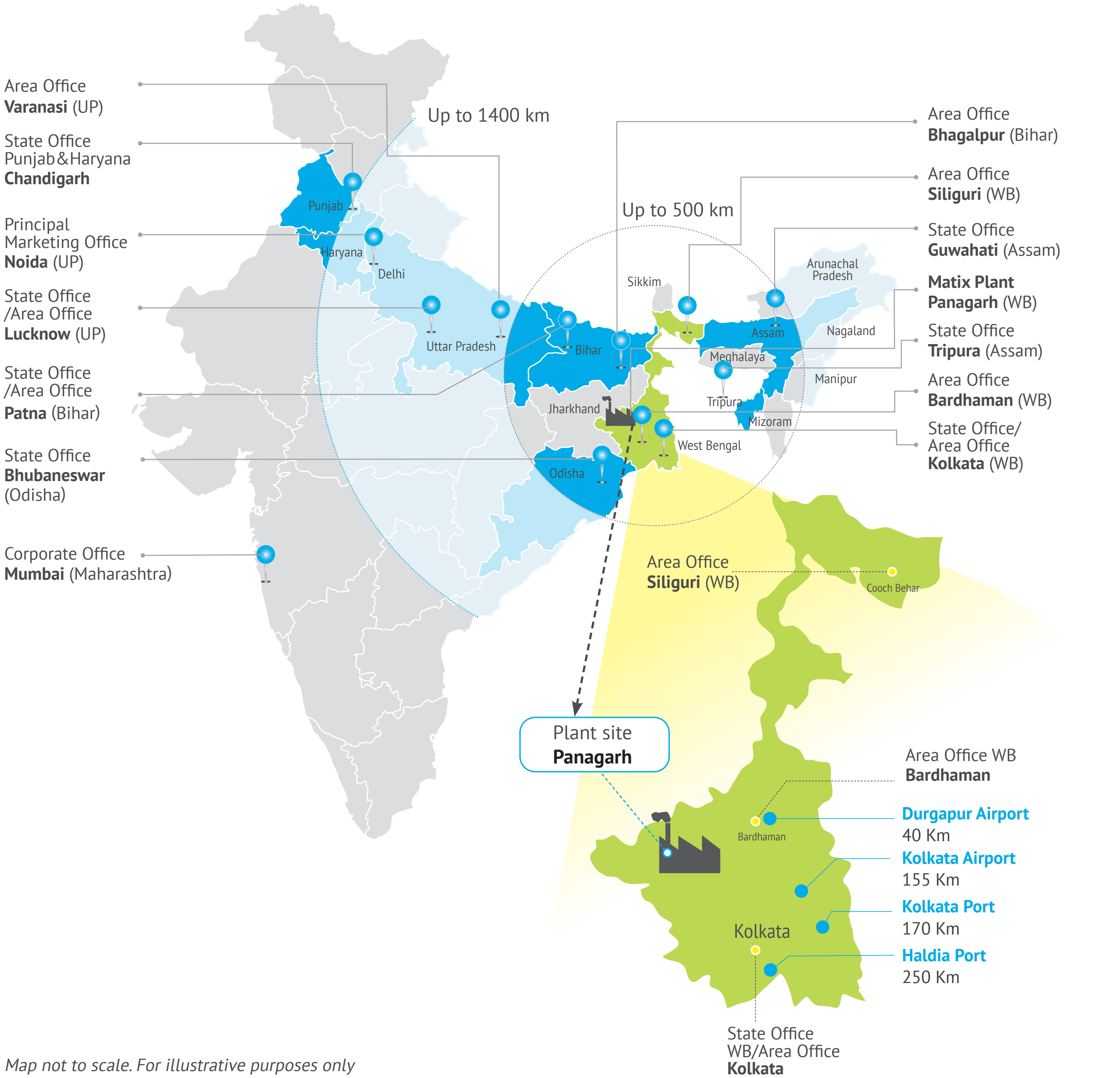
Marketing Arrangement
₹ 16.94 Crore

Dr. Fasal brand
₹ 34.97 Crore

Geographic footprint and distribution

Reaching closer to the farmers

Urea production in India has typically been concentrated in the western and northern states. At Matix, we are changing the game, having set up the first-ever, largest single-train urea plant along with an extensive distribution targeting primarily the eastern and northeastern regions of India as well as the northern regions. A significant milestone, this venture has also opened the potential to expand the product range in non-urea fertilisers, and agri-related products and services.



Map not to scale. For illustrative purposes only

Farmer relations and services

Cultivating connections, empowering farmers

We are committed to enhancing agricultural outcomes and improving the lives of the farmers. That is why we go beyond providing products to fostering strong relations and providing support. Through extensive engagement and training initiatives, we empower them to enhance productivity and address diverse farm challenges, ensuring a sustainable and prosperous agricultural future.

Observing World Soil Day

World Soil Day (WSD) is observed annually on the 5th of December across the world. WSD was initiated with the objective of highlighting and promoting the importance of maintaining soil health by educating farmers and the public about sustainable practices.

At Matix, we support this movement to protect and enhance soil resources. Towards this, we conducted workshops to educate farmers about practices that enhance soil health, including crop rotation, cover cropping, and reduced tillage. These workshops emphasised the significance of healthy soil in crop production, food security, and environmental conservation. We encouraged soil testing and collected samples as well as provided guidance to farmers on balanced fertiliser application to ensure nutrient adequacy while preventing soil degradation.

Strengthening relations with the farming community

We serve the farming community by fostering healthy relationships through engagement at events and village-level outreach programmes. These help us to get a better understanding of their challenges and their thought process through multiple planned as well as walkabout meetings.

Collaborating closely with dealers/retailers, especially those affiliated with Pradhan Mantri Krishi Samriddhi Kendra (PMKSK), we have linked farmers with PMKSK centres with the active participation of our area and territory managers (AMs/TMs).

These engagements effectively addressed farmers' concerns along with showcasing our products and services, helping build trust and loyalty and demonstrating our commitment to their success. We focussed on understanding and addressing their field-related problems (current crops, cropping patterns, pests, diseases, soil health) through tailored solutions, including advisory on optimally using our agri inputs and connecting them to farm services. Farmers are now educated on balanced crop nutrition, disease and pest prevention and beneficial government schemes. They are also introduced to Matix Soil Testing Services for optimising crop yields and balanced fertilisers use.

Additionally, we created brand awareness by showcasing our product quality and efficacy through demonstrations and testimonials from progressive farmers. To enhance the impact of engagements, various promotional materials were displayed including activity and product banners, actual product samples and informative posters. We also distributed informational pamphlets, brochures and branded materials (caps, pens, calendars, keyrings etc.).

> **We encouraged soil testing and collected samples as well as provided guidance to farmers on balanced fertiliser application to ensure nutrient adequacy while preventing soil degradation.**

Farmers' meeting impact in FY 2022-23

Spot Farmers' Meeting

3,505
Spot meetings conducted

4-5
Farmers benefited from each activity

46
Marketing territories covered

Farmers' Meeting

446
Meetings conducted

30-40
Farmers benefited from each activity

46
Marketing territories covered

Supporting the Government's vision to empower farmers

The Government of India introduced the Pradhan Mantri Kisan Samruddhi Kendra (PMKSK) programme, aiming to convert retail fertiliser shops into PMKSK, a one-stop shop for the farmers' fertilisers, seeds and farm equipment needs.

Matix enthusiastically supported this initiative and proudly facilitated the opening of 1,453 PMKSK centres. Our centres at Jharkhand and Nalanda were notably among the few inaugurated by the honourable Prime Minister Narendra Modi during the initial phase and upon surpassing the milestone of 1 lakh PMKSKs.

Empowerment through Farmers Training Programme

The Farmers Training Programmes are vital to our commitment to empowering farmers with knowledge and resources, playing a pivotal role in educating farmers, promoting our brand, and contributing to the agricultural sector's growth. Conducted across villages, PMKSK centres, mandis, and Krishi Vigyan Kendra (KVK), it engages diverse participants including agriculture experts (KVK scientists/subject matter specialists), managers, retailers, dealers and farmers.

Through these sessions, the team gathered insights on the farmers' field-related problems and accordingly provided relevant solutions. They were also updated on the latest developments and farming techniques and tools for enhancing farm productivity and yield along with practical demonstrations and expert guidance for adoption.

The initiative helped build stronger relationships with the agricultural community and establish Matix as a trusted partner.

Farmer training programme impact in FY 2022-23

107
Programmes conducted

80-100
Farmers benefited from each activity

46
Marketing territories covered

Dealer and retailer meets

We conducted multiple dealer and retailer meets during the year to engage with these valuable networks, communicate essential information, and accomplish the set objectives. These events showcased various visual displays that enhanced the overall experience and communication of key messages such as product banners, informational posters and point-of-display items. To foster brand recall and appreciation, we distributed mementoes, Company-branded t-shirts and gifts.

In addition to these meets, our Managing Director interacted with many dealers across West Bengal, Odisha and Uttar Pradesh.

Objectives achieved through dealer and retailer meets

- Direct engagement of senior executives and state representatives with the dealers and retailers, helped gain insights into market conditions, competition, farmer challenges and other product-related discussions; their feedback was also taken for targeted improvement measures
- Educating dealers and retailers about our products and services through presentations, demonstrations, and interactive discussions
- Updating dealers and retailers on policies (both government and company) and ensuring their compliance
- Motivating high-performers with recognition and rewards

Catalysing agricultural transformation with crop demonstration

Our crop demonstration initiative aims to bridge the gap between traditional and modern farming techniques, focussed on boosting crop yields and showcasing the benefits of specific products and agronomy practices. It also helps highlight improved crop yields and physical characteristics, leading to substantial monetary gains and improved quality of life within farming communities.

The effort includes selecting a demo field and inviting farmers for product briefing, its application and stagewise description. They are encouraged to visit this field later to witness the remarkable difference in yield, physical appearance, and superior quality of harvests, which can enable access to premium markets and higher prices for produce. The programme thus empowers farmers to embrace modern agricultural practices, enhance income and secure the future of agriculture.

Local dealers are a crucial component, ensuring ready product availability to interested farmers and facilitating easy adoption. They also serve as a bridge between farmers and agricultural experts, providing essential guidance and support.

Revolutionising Soil Testing with Mobile Soil Testing Van (MSTV)

Soil testing is crucial for farmers as it assesses soil health, aids in crop and fertiliser selection, and pH level management. We observed a lack of awareness regarding soil testing in our key operational regions of West Bengal, Assam, Odisha, Jharkhand, and Bihar.

To bridge this awareness gap, we initiated the 'Soil Health Campaign' in FY 2022-23. As part of this programme, we have successfully initiated the Matix Mobile Soil Testing Van (MSTV) programme, a scientific- and results-driven approach to assist farmers in comprehending their soil across various parameters.

855

Soil samples collected

Commencing in Assam, our MSTV initiative has already reached districts in Assam, Bihar, Uttar Pradesh, West Bengal, Haryana, Odisha and Jharkhand. Our commitment to supporting and guiding the farming community drives us to expand these services to other operational states.

Key features

- **MSTV analyses soil samples**, generates a comprehensive soil health report card and offers insights to farmers' on balanced fertiliser usage for enhancing soil fertility through Matix experts
- **Testing equipment** in the van has state-of-the-art instruments required to analyse the soil's chemical properties

MSTV Soil Testing Procedure Sequence

1. **Soil pH testing to** measure hydrogen or hydroxyl ion activity in the soil solution indicating soil acidity, neutrality, or alkalinity. This test controls nutrient availability, microbial activity, and soil physical condition.

2. **Electrical conductivity (EC) testing** assesses soil solution salt content using a Conductivity Meter. This test identifies if soil salt ions restrict crop growth as extreme soil EC levels can impede crop growth.

3. **Testing Phosphorus via Colorimeter** to determine available phosphorus in soil. **A Colorimeter is** also used with a spectrophotometer for determining large amounts of sample present.

4. **Testing of soil organic carbon** which is a measurable component of soil organic matter. Elevated organic carbon levels are crucial for soil health, fertility, and erosion control in agriculture. They enhance nitrogen retention, microbial diversity, and nutrient transfer to plants, boosting growth and yields.

5. **Test for Soil available potassium (K)** as plants can amass it in large quantities without toxicity. Potassium boosts root growth, drought resistance and aids water and nutrient transportation while a deficiency leads to slow growth and plant lodging.

Equipment used

PH Meter

It measures the level of hydrogen or hydroxyl ion activity in the soil solution, and indicates whether the soil is acidic, neutral, or alkaline in reaction.

Conductivity Meter

It measures the electrical conductivity (EC) of the soil solution. Soil EC that is too high or too low hinders the growth of crops.

UV-VIS Spectrophotometer

It measures the available phosphorus in soil.

Weighing Balance

It measures soil samples and small quantity of chemicals that weigh less than 200 g for laboratory analysis.

Shaker

It is used to shake soil sample solutions (soil + chemical solutions) to determine available nutrients such as phosphorus and potassium.

Flame Photometer

It measures the level of potassium in the soil. Potassium increases root growth and improves drought tolerance.

The **MSTV** is also equipped with full power backup, including a mobile generator power and internet connectivity, a laptop and printers for providing hard copies of soil reports.

Committed to workplace excellence and employee enrichment

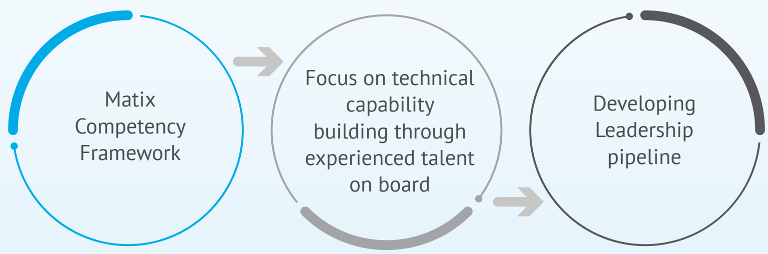
As we aspire to transform into an innovative fertiliser manufacturing enterprise and expand into new segments of the agribusiness market, we place the highest value on our employees' capabilities. We consistently assess, reevaluate, and redefine our HR priorities to harmonise with ever-changing business requirements. Our focus is on promoting employee well-being and firmly upholding the empowerment of our workforce for enhanced productivity and long-term sustainability.

Talent management

We are committed to building a diverse workforce and vibrant work culture that provides holistic growth and development opportunities.

Nurturing our workforce stands at the core of our mission to cultivate a prosperous organisation. We are dedicated to fostering a conducive work environment where our team members are not only valued but also actively engaged. This commitment, in turn, enhances productivity and bolsters employee retention.

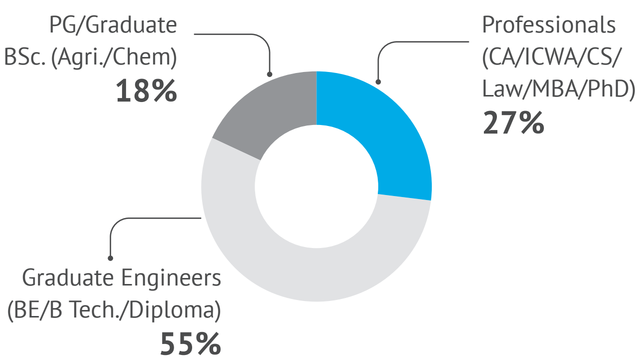
We encourage individuals to embrace ownership, fostering a culture of accountability, agility, inclusivity, and collaboration. Our talent management practices are central to our people-focussed policy, ensuring that the development and growth of our employees remain a top priority.



421

Employee strength

Workforce skillsets



Employee engagement

Enhancing productivity and employee motivation in these demanding times has remained our central focus. Our journey towards this goal has been marked by pioneering initiatives aimed at enhancing organisational effectiveness. We've orchestrated wellness sessions that emphasise mental and physical health throughout the year. Additionally, we've established a well-structured employee engagement calendar that features celebrations and engagement activities, set in motion at the start of each year. During the year, we organised various activities to engage our employees and their family members encompassing festival celebrations, picnics, Ladies Club, etc.

We also celebrate major festivals such as Ganesh Chaturthi, Dussehra, Holi, Diwali to foster a sense of community.

Career advancement

We have been undeterred in our commitment to enabling our employees to reach new heights in their professional journeys while aligning with our pursuit of operational excellence and business expansion. We meticulously conduct role enhancements and ensure job alignment to unlock the full potential of high-achieving talent.

Learning and development

Our commitment to employee growth encompasses a comprehensive approach, aiming to facilitate excellence in technical proficiency, behavioural competencies, and functional capabilities. Our learning and development initiatives encompass a wide range of strategies, including both internal and external training, targeted group training, on-the-job training (OJT), as well as workshops and seminars. Each employee is paired with their manager to chart a skill development roadmap that aligns with their individual goals and the organisation's needs.

To further enhance the capabilities of our sales team, we maintain an ongoing commitment. This commitment is exemplified by a dedicated three-month programme that concentrates on fostering interpersonal skills and enhancing business acumen for our sales and marketing teams.

520

Total training man-days

Ensuring a healthy and safe workplace

We prioritise top-rated occupational safety through a robust management system, including Hazard Identification & Risk Assessment (HIRA) and mitigation procedures and a safety work permit system. We have safety committees at both plant and central levels to oversee implementation, undertake regular EHS discussions, and strategise initiatives. We conduct regular safety training for our employees, and we commemorate National Safety Week to reinforce our commitment to safety ethics and behaviour.

We have prepared detailed standard operating procedures (SOPs) to effectively manage waste and prevent unforeseen events. All our plant operations have received recognition from TUV-Rheinland for meeting compliance with the international standard of Occupational Health and Safety (ISO 45001:2018) requirements. We have also invested in safer technologies at operations, including dedicated hot and cold flares to prevent the escape of NG and Ammonia and gas detectors to monitor leakages of obnoxious gasses. Our online QR-based reporting system for 'Near-Miss' and 'Unsafe condition/unsafe act' along with an award scheme helps incentivise reporting, spread awareness, and take swift investigations and corrective measures. Additionally, emergency handling procedures and regular mock drills ensure better site preparedness. We further maintain a 24x7 onsite Occupational Health Centre having qualified doctors, nurses, and pharmacists along with an ambulance for patient transfers.

We maintain comprehensive health records for each employee. Our initiatives include annual health check-ups, a Mediclaim policy that covers employees and their families, First-Aid training, awareness programmes related to communicable diseases, hygiene camps, and leadership connections that foster a socially and professionally satisfying work culture, among others.

Diversity and inclusion

We place a strong emphasis on diversity, not solely in terms of numbers, but also in harnessing a diverse pool of talent to fortify our organisation's resilience. Our representation of women in the total workforce has gradually increased and remains stable. As a result, we've been able to bring women into key support functions. We are currently in the process of designing frameworks for skill development programmes tailored for women employees, fostering their career growth. Furthermore, we are actively exploring opportunities to integrate women employees into our recruitment process for fresh talent.

Rewards and recognition

We are dedicated to cultivating a culture of meritocracy, empowerment, and encouragement to foster high performance and excellence across our diverse global workforce. Our performance appraisal process follows a meticulously structured approach, designed to acknowledge and reward employee performance through a transparent evaluation methodology. This process initiates with employees setting their goals at the start of the year, aligning these objectives with the evolving needs of our business. A roadmap is meticulously crafted, complete with timelines, to guide them toward goal attainment. At the end of each year, a comprehensive performance review is conducted to evaluate and assess employee performance.

Long Service Award

We deeply appreciate the service of our employees who have contributed ten years of their careers to our organisation. In recognition of this remarkable tenure, we express our gratitude by presenting a appreciation certificate along with a reward on Matix Day. This gesture not only serves to acknowledge their long-standing association but also strengthens the bond between our employees and the employer.

Business responsibility

Leading the way for a greener, planet-positive future

Advancement of the agri-food ecosystem is at the heart of our business. We firmly believe that this objective is intricately linked to our responsibility towards the planet and communities. Guided by our sustainable and responsible practices, we persistently seek avenues to create a positive impact in these areas to secure a better tomorrow for all.

Energy management

We have in place an energy management policy and have accordingly identified objectives for energy consumption and conservation. In FY 2022-23, we further implemented several measures to reduce the specific energy consumption during the plant maintenance shutdown. Actions included cleaning the converter effluent cooler and refrigerant condenser in the ammonia plant and the cooling water heat exchangers in the ammonia and urea plants. We overhauled the syngas compressor and refrigeration compressor turbine. Software optimisation helped improve operational efficiency and stripper ferrules tightening in the Urea plant boosted plant load. We also practice recovering the reaction heat of the synthesis for utilisation in a heat recovery steam generator, thus saving fuel.

Efficiency measures undertaken in FY 2022-23 helped reduce energy consumption by ~0.19 Gcal/MT of urea from 5.14 Gcal/MT before plant turnaround to 4.84 Gcal/MT

Note: Gcal/MT denotes Giga calories per metric tonne

Maintaining ambient air quality

We have installed Continuous Ambient Air Quality Monitoring Stations (CAAQMS) and three manual monitoring stations at our site for real-time monitoring of air pollutants (PM10, PM2.5, SO2, NOx, Ammonia, etc.) as per SPCB guidelines. Measures have been implemented to minimise atmospheric emissions. We use low NOx burners in the reformer, gas turbine and auxiliary boiler for controlled NOx emission. Tall prilling tower with natural draft technology for Urea prilling minimises and a de-dusting system in the UPH Building to reduce dust emissions.

Waste and water management

Our commitment to environmental sustainability is demonstrated through efficient waste and water management initiatives. These include investments in technologies like deep hydrolyser, stripper and Oil Water Treatment system for recovering/recycling oil from effluent. Our effluent treatment plant, fitted with online system analysers, enables real-time monitoring and data transfer to Central Pollution Control Board (CPCB) servers. We also use piezometric wells for monitoring and analysis of groundwater, minimising contamination risks and have holding ponds with a 1 lakh m^3 capacity to store the treated effluent for reuse in the Greenbelt.

In compliance with the WBPCB regulations, we responsibly manage biomedical and hazardous wastes through long-term agreements with state government-recognised disposal facilities. E-waste is disposed of through authorised recyclers, with an annual generation and disposal report submitted to the State Pollution Control Board (SPCB). We further comply with the Extended Producer Responsibility (EPR) for recycling Grade-II plastic as per the Plastic Waste Management Rules 2016.

Fresh water consumption has been optimised by utilising treated water from sewage treatment plants for plantations and harvesting rainwater for industrial applications.

Nurturing a thriving and sustainable ecosystem

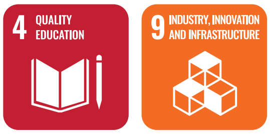
Greenbelts are critical in ensuring a carbon sink and protecting biodiversity. Recognising its importance, we have undertaken extensive afforestation efforts at our site with ~75,000 plantations, prioritising local species to preserve the area's ecology.

In FY 2022-23, we added 900 saplings during World Environment Day and Banmahotsav Day celebrations, reaffirming our commitment to enhancing the greenbelt.

At the forefront of enriching communities

We are committed to community development, as evident in our proactive initiatives even before commencing operations. Our annual CSR plan aligns with national policies and UN Sustainable Development Goals. Governed by community needs, our approach involves multi-stakeholder partnerships to benefit a wider network of underprivileged populations.

Brighter futures for children



Our Mini Science Centre (MSC) is an innovative educational programme employing 'Plug and Play models' to enrich students' comprehension of math and science concepts. The initiative includes 80 tabletop exhibits, backdrops, user manuals, training materials, and safety procedures.

Objectives

- Enhance curiosity and interest in STEM (science, technology, engineering, mathematics) subjects among students
- Enhance students' knowledge of math and science concepts, leading to improved matriculation results

FY 2022-23 impact

During the year, we inaugurated an MSC at Kanksa All Girls High School. We now have three operational MSCs, including those at Panagarh Bazar High School and Debshala High School, benefiting more than **2,400** students (Class V-X) every month with foundation-based learning in Physics, Chemistry, Biology and Mathematics.

Supporting women empowerment with projects – Shakti and Saksham

Project Shakti

A flagship programme operating in two peripheral villages near our plant, Project Shakti aims at achieving gender equality and empowering women.

Objectives

- Achieve gender equity
- Promote sustainable income-generating opportunities for women
- Enhance economic and financial capabilities for their holistic development

FY 2022-23 impact

Under this project, women from government-identified Self-Help Groups are trained in six trades (applique, kantha stitch, batik printing, beautician, jute bag making, advanced stitching) across six villages. In Phase 1, launched in December 2022, the training programme was initiated across four villages – Shyamsunderpur (for Applique), Sonai (for advanced stitching), Pondali (for kantha stitch) and Khandari (for batik printing) with the help of our partner Dolon Boutiques & Handicrafts Trust. Nearly **150** women benefited from training in sourcing raw materials, marketing and standardisation of product quality for enhanced marketability.

Project Saksham

The project capitalises on the established traditional practice of domestic goat, duck, and poultry rearing by women in villages. These women are provided a 3-month training by the implementing agency, Asthitya NGO, to enhance their skills and thus achieve a higher and consistent income. The initiative includes knowledge of vaccination, nutrition and timely treatment for reducing mortality and healthy lifespan of the birds.

Objectives

- Enable women to earn a substantial income independently
- Promote rural entrepreneurship among women

FY 2022-23 impact

We commenced the training initiative in February 2023 at Kota village, whereby **55** women from SHGs received both practical and theoretical training in poultry, goat rearing, and duck farming. Upon completion of Phase 1, training will extend to two other peripheral villages.

Project Dhadkan for a healthier society

Community health is a priority for us, having been serving our peripheral villages through Matix community health clinics for long. With the plant restart, we initiated Project Dhadkan in January 2023 to facilitate access to free, quality medical services at the doorstep. We have set up community health clinics in Shyamsunderpur, Khulepada, Pondali, and Dharala villages primarily focussed on BPL families. These centres provide both allopathy (through well-known hospitals) and homoeopathy medical services six days a week on a rotation basis along with free-of-cost medicines.

Objectives

- Ensure accessible, quality healthcare for all population groups in peripheral villages
- Improve overall healthcare in targeted villages

FY 2022-23 impact
In three months of operations, our community health clinics in our target peripheral villages extended services to **4,471** individuals, bringing positive health benefits.

Community development

Basic infrastructure often hinders the quality of life of communities. We address this challenge by responding to the needs of the Panchayat, local community leaders and government schools seeking infrastructural upgrades and access to basic amenities like toilets and drinking water.

Objective

- Addressing community needs for improved quality of life and education

FY 2022-23 impact
Infrastructure support to schools: We responded to Sonai Madhyamik Siksha Kendra and Shyamsunderpur Madhyamik Siksha Kendra's needs by providing **25** sets of desks-cum-benches to each school, benefiting **710** students. While aiding students' learning experience, this provision will also potentially boost long-term enrolment. We also helped construct a female toilet at Pondali Primary School, benefiting **80** girls.

Water resources support: Contaminated drinking water is a major problem. We addressed this challenge by providing six RO-enabled water filters and water coolers to six peripheral government schools at Panagarh, benefiting **1,716** students and reducing waterborne diseases.

Key performance indicators

Strong fundamentals, sustainable performance

10,52,291 MT

Production

₹ 57,942.34 Mn

Revenue from operations

₹ 12,744.84 Mn

EDITDA

Board of Directors

Steering our path to excellence

Our Board brings together the hands-on wisdom and stewardship success of professionals who have held leadership positions with globally renowned businesses. Guiding our strategy formulation and strong governance practices, they help drive Matix's performance and protecting the interest of all stakeholders.

Nishant Kanodia

Promoter and Chairman

Mr. Kanodia provides strategic direction to Matix, driving its rapid growth and diversification. His commitment to building one of the world's best-in-class urea plants is reflective of his leadership and foresight. He has been instrumental in Matix Fertilisers and Chemicals Limited emerging as one of India's fastest-growing fertiliser companies. His sharp focus on building the right professional team has seen the induction of some of the most seasoned fertiliser industry professionals into Matix. The results of this drive is clearly reflected in the performance of Matix.

Mr. Kanodia holds an MBA from the Wharton School, University of Pennsylvania, USA. He is a member of the Mumbai Chapter of the Entrepreneurs Organisation (EO) and Young President Organisation (YPO).

Manoj Mishra

Managing Director

Leading Matix since September 2021, Mr. Mishra, who has over three decades of professional experience in public, cooperative and private sectors, has brought about operational excellence and professionalism. He is the former Chairman and Managing Director of National Fertilizers Limited (NFL), India's second-largest Urea producer and CMD of Rashtriya Chemicals & Fertilizers Limited (RCF) and FACT, Cochin. As Chairman, he has contributed immensely to industry policy working closely with multiple stakeholders. He also held the position of Chairman of the Ramagundam Fertilizers and Chemicals Ltd and Talcher Fertilizers Ltd during its critical phases. He was Co-chairman of the industry body Fertilizer Association of India.

Mr. Mishra's globally recognised achievement includes being the first executive from the Indian fertiliser public sector to be appointed Director on the Board of the Paris-based International Fertilizer Association (IFA). He is also a Member of the Institute of Cost Accountants of India.

Kapil Khandelwal

Director and President – Fertiliser Business

Mr. Khandelwal was a Whole-time Director at Matix from Sep 2021.

Earlier in 2011, Kapil was instrumental in assisting the fast-tracking of the Matix Ammonia and Urea Project and then led the takeover of the plant from the EPC Contractor for operations. He, along with his team, is credited for completing key infrastructure such as gas pipeline connectivity to the National Grid, railway siding, access roads, support infrastructure, and managing the local operating environment.

A qualified Chartered Accountant with over three decades of multi-sector experience, Mr. Khandelwal has held senior positions in several large conglomerates.

Rajan Thapar

Whole Time Director, Chief Operating Officer

Mr. Thapar was appointed Whole Time Director on March 6, 2023. As Chief Operating Officer since Dec 2021, he is responsible for stable and continuous plant operations.

Mr. Thapar, a B.E. in Chemical Engineering, joined National Fertilisers Limited in 1982, based at its Bhatinda plant till 1996. He was then deputed to work with Toyo Engineering of Japan for two years, overseeing the commissioning of two ammonia plants in China. From 1998 onwards, he worked at various levels in plant operations, projects and technical services at NFL, Bhatinda. In 2016, he was appointed Executive Director of RFCL, supervising the construction of a 2,200 MTPD ammonia plant and the commissioning of a 3,850 MTPD urea plant.

Firdosh M Debara

Non-Executive Independent Director

Mr. Debara is a Chartered Accountant with 50 years of post-qualification experience in F&A, taxation, legal, secretarial, and HR across various sectors of the manufacturing and service industries. He has held top management positions as CFO and Director-Finance in leading companies. As a practising CA, he has managed statutory and internal audits, company law, and income tax for banks, hotels, IT, FMCG, telecom, and others.

Sudha Bhushan

Non-Executive Independent Director

Ms. Bhushan, a practising Chartered Accountant and a Company Secretary, has two decades of experience in International transaction advisory, structuring and regulatory affairs. She is the Co-chairman of the Business Next Committee at the Indian Merchant Chamber – LW. She is a Member of the Indo-French Chamber of Commerce and Industry, the Committee of International Taxation, the Editorial Committee of WIRC of ICAI and the Committee of Women Empowerment of ICAI.

Nikhil Naik

Independent Director

Nikhil Naik holds a M.Sc in Shipping, Trade and Finance (Distinction) from Bayes Business School, London. During his work experience of 44 years, he has served in leadership roles in Port Management, Shipping, Private Equity and Logistic businesses. His competency areas include leadership, strategic management of people, businesses and markets, analysis of financials, nurturing, advising management of businesses, building lasting customer relationships and networking with External Agencies and Government. He has served on the Boards of listed companies in India and the UK and presently serves on the Boards of various Indian listed and private companies.

Management Team

The team driving our success

At Matix, we have a strong management team to lead our strategy execution. With their diversified expertise and bringing in more than 100 years of combined fertiliser industry-specific experience, they are contributing to our success.

Manoj Mishra
Managing Director

Read his profile on page 42

Rajan Thapar
Whole Time Director, Chief Operating Officer

Read his profile on page 42

Karthik Menon
Joint President Strategy and Corporate Development

In his 20+ year career as a turnaround and growth specialist, Mr. Menon has ideated, strategised and built brands and businesses across various single-product technology start-ups to transnational diversified conglomerates. In his career, Mr. Menon has raised over USD 1.6 billion debt and over USD 450 million in equity.

Before Matix, Mr. Menon was a Partner at Singhi Advisors, a renowned equity-focussed investment bank known for complex cross-border M&A deals. He has worked as President - Strategy & Business Development at Deepak Fertilisers Ltd. responsible for international growth, and was CEO at Wilson International Trading in Singapore as well as Vice Chairman and Executive Director of Sical Logistics Ltd.

Vishnu Singhal
Chief Financial Officer

Associated with Matix since its inception in 2009, Mr. Singhal was responsible for bringing in the project's initial finance and subsequent re-finance of term loans at competitive costs. His contribution extended to establishing MIS systems, including the SAP FI function and overseeing areas such as accounts, taxation, commercial and compliance.

Mr. Singhal started his three-decade professional career at IFFCO – India's largest fertiliser manufacturer, and subsequently worked across steel, heavy engineering, and automotive sectors, spanning ASEAN and the Caribbean regions. A rank holder from the University of Allahabad, he is a qualified Chartered Accountant from ICAI, New Delhi.

Sohan Lal

Chief Marketing Officer

A Gold-medalist in Soil Sciences from HAU-Hissar and an MBA in Marketing, Mr. Lal joined Matix in January 2022. Currently, he serves as the Chief Marketing Officer overseeing sales, logistics, agricultural services, import, trading, and branding activities.

In his remarkable 36-year career at National Fertilizers Ltd, India's second-largest Urea producer starting in 1985 as a Management Trainee, he held diverse roles at NFL, gaining hands-on experience in fertiliser marketing, agri-inputs trading, industrial product sales, seed multiplication programmes, channel development and management of rail and road logistics and finally as Executive Director at NFL wherein he played a vital role in its transformation into a multiple-product company with a pan-India presence.

Brijesh Singh

Executive Vice President Corporate Affairs

With Matix since 2014, Mr. Singh oversees advocacy and corporate affairs. With over two and half decades of experience in corporate affairs and managing retail and institutional investors, Mr. Singh has worked across the telecom, industrials and services sectors.

Major Prashant Das

Chief Human Resource Officer

With 30+ years of HR functional experience and expertise in managing HR strategy, employee relations, talent management, organisational development, and employee engagement, Major Das is a much-respected HR expert. Prior to Matix, he was HR Head at JSW Steel Coated Ltd and before that at Aditya Birla Group's UltraTech RMC & Building Products Division. He spearheaded the digital recruitment process at Reliance Infocomm and has also led several talent diagnostic studies to build high-performance human capital with successful employee relations and leadership hiring.

Major Das is sought after motivational speaker at corporate and academic institutions, focussing on 'Human Dimension in Managerial Excellence'.

Madan Agrawal

Executive Vice President - Commercial

Mr. Agrawal, with Matix since 2010, has actively engaged in commercial procurement activities related to EPC, commissioning, finalisation, and management of technology. He manages gas supply contracts and insurance as well. He started his professional journey in 1989 with Essar Steel, and worked on projects in South America (Brazil) and the West Indies (Trinidad & Tobago, Guyana), overseeing the establishment of a steel plant and the management of a mining company.

Mr. Agrawal is a Chartered Accountant (ICAI), Cost Accountant (ICMAI), and fellow member of the Insurance Institute of India.

Corporate Information

Board of Directors

Nishant Kanodia
Promoter and Chairman

Manoj Mishra
Managing Director

Kapil Khandelwal
Director and President – Fertiliser Business
(up to December 6, 2022)

Rajan Thapar
Whole Time Director, Chief Operating Officer
(from February 6, 2023)

Firdosh M Debara
Non-Executive Independent Director

Sudha Bhushan
Non-Executive Independent Director

Key Managerial Personnel

Vishnu Singhal
Chief Financial Officer

Vishnu R. Murkar
Company Secretary

Registered Office

Panagarh Industrial Park, Panagarh, Purba, Bardhaman 713148, West Bengal.

T: +91 343 3068001 / 343 3068002

Corporate Office

Poonam Chambers, Wing B, Floor 5, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra.

T: +91 22 6116 7000 • F: +91 22 6116 7011
E: info@matixgroup.com

Principal Marketing Office

Carnoustie, Floor 6, Plot 19A, Film City, Sector 16A, Noida, Dist. Goutam Buddh Nagar, Uttar Pradesh 201301.

Matix Fertilisers and Chemicals Limited
CIN: U24120WB2009PLC153272

Corporate Office: Poonam Chambers, B wing, 5th Floor, Dr. Annie Besant Road,
Worli, Mumbai-400018, Maharashtra, India.
T +91 22 6116 7000; F +91 22 6116 7011.
Email: info@matixgroup.com; Web: www.matixgroup.com

Registered Office: Panagarh Industrial Park, P.O. Panagarh Bazar,
Dist.: Purba Bardhman–713148. West- Bengal. India.

Normal Notice of 14th Annual General Meeting

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Matix Fertilisers and Chemicals Limited (Matix) will be held on Monday, 4th September, 2023 at IST 14.00 for the transaction of the following business at Panagarh Industrial Park, Panagarh, Dist. Purba Bardhman, West Bengal-713148.

ORDINARY BUSINESS

Item No. 1: Adoption of financial statements:
To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023 along with reports of Independent Auditors and the Board of Directors thereon.

To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions:**

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Independent Auditors thereon be and are hereby received, considered and adopted."

Item No. 2: Remuneration of Independent Auditors for the Financial Year 2023-24:
To fix and approve the remuneration of Independent Auditor M/s. Walker Chandiok & Co LLP Chartered Accountant, (Firm Registration No. 001076N/N500013) for the Financial Year 2023-24.

To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, the remuneration of ₹ 50 Lakhs, payable in one or more instalments plus Goods and Service Tax as applicable, and reimbursement of out-of-pocket expenses incurred by the Independent Auditor of the Company, M/s. Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013) to conduct the audit of the Company and Group Reporting for the financial year 2023-24, be and is hereby approved."

SPECIAL BUSINESS

Item No. 3: Ratification of Appointment of Mr. Rajan Thapar (DIN 10051368) as the Whole-Time Director:

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the Provision of Section 196,197,203, Schedule V, Articles of Association of Company & other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee and approval of Board, in its meeting held on 6th February, 2023, the appointment of Mr. Rajan Thapar (DIN 10051368) as the Whole time Director for a period w.e.f. 6th February, 2023 to 5th December, 2023 on the same terms and conditions and remuneration as approved by the Board, be and is hereby ratified.

RESOLVED FURTHER THAT in case of inadequate or no profits in any financial year the remuneration payable will be as per provisions of the Companies Act, 2013 and Schedule V of the Act.

RESOLVED FURTHER THAT Mr. Rajan Thapar will not be entitled for sitting fees, for any of the Board and Committee meetings thereof."

BY AND ON BEHALF OF THE BOARD
FOR **MATIX FERTILISERS AND CHEMICALS LIMITED**

Place: Mumbai
Dated: 7th August, 2023

(VISHNU R. MURKAR)
COMPANY SECRETARY

Corporate office: Poonam Chambers, B wing,
5th Floor, Dr. Annie Besant Road,
Worli, Mumbai-400018, Maharashtra, India

Registered Office: Industrial Park, Panagarh
Dist. Purba Bardhman, West Bengal 713148

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THEN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. The shareholders are hereby informed that the Company has on the same date, issued a notice for an 14th Annual General Meeting of Shareholders to be held at Shorter Notice on 24th August, 2023 ("Shorter Notice AGM") which Shorter Notice AGM shall be held subject to receipt of requisite number of consents by the Company in accordance with such notice and applicable law. This notice shall remain valid and subsisting until cancelled by the Company, by issuing a notice in writing to all the shareholders, upon the holding of the Shorter Notice AGM, whereupon the Annual General Meeting of shareholders in accordance with this Notice shall not be held and stand cancelled.

4. Members are requested to: a) complete the attendance slip and deliver the same at the entrance of the meeting hall. b) bring their copies of the Notice at the time of attending the 14th Annual General Meeting. c) send their questions if any, at least 10 days before the Annual General Meeting about any further information on accounts so as to enable the Company to prepare for answering satisfactorily.

5. A proxy shall not vote except on a poll.

6. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their Depository Participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.

7. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. Members holding shares in physical form are requested to write their Folio Number in the Attendance Slip.

8. In conformity with the applicable regulatory requirements, the Notice of this AGM is being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company.

9. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act, will remain available for inspection during the AGM at registered office of the Company.

10. Explanatory statement pursuant to the provisions of the Section 102 of the Companies Act, 2013 for items no 3 is attached herewith.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special business mentioned above.

Item No. 3: Approval on appointment of Mr. Rajan Thapar (DIN: 10051368) as Whole Time Director (WTD) of the Company.:
Mr. Rajan Thapar (DIN 10051368) was appointed as the Whole-Time Director on the Board of the Company in Board's Meeting held on 6th February, 2023 for a period from 06th February, 2023 to 5th December, 2023. Members need to ratify his appointment from 06th February, 2023 to 5th December, 2023. Mr. Rajan Thapar is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Mr. Rajan Thapar does not hold any shares in the Company.

The Resolution set out under item No.3 of the notice is to seek Members' approval to the same.

Except Mr. Thapar, none of the Directors/Key Managerial Personnel of the Company or their relatives are in any way concerned with or interested directly or indirectly in the said resolutions in item No.3 of the accompanying Notice.

The Board of Directors recommends a Special Resolution for your approval.

BY AND ON BEHALF OF THE BOARD
FOR **MATIX FERTILISERS AND CHEMICALS LIMITED**

Place: Mumbai
Dated: 7th August, 2023

(VISHNU R. MURKAR)
COMPANY SECRETARY

Corporate office: Poonam Chambers, B wing,
5th Floor, Dr. Annie Besant Road,
Worli, Mumbai-400018, Maharashtra, India

Registered Office: Industrial Park, Panagarh
Dist. Purba Bardhman, West Bengal 713148

ANNEXURE – A

Details of the director in pursuance of Clause 1.2.5 of SS-2 - Secretarial Standard on General Meetings.

Name of the Director	**Mr. Rajan Thapar**
Date of Birth	12/10/1960 62 years
Date of Appointment	6th February, 2023
Relationship with Directors	None
Expertise in Specific functional area	All functions of Plant namely: - Operations, Maintenance, Technical Services, Accounts, Material Management, IT, IR & Administration will be handled by him
Qualification	BE (Chemical Engineering) Punjab University
Board Membership of Companies	Nil
Chairman/Member of the Committee of the Board of directors of other Companies	None
Number of Shares held in the Company	NIL
Number of Board Meetings attended during the year	None
Terms and conditions of appointment	As mentioned in Board Resolution dated 06/02/2023.
Remuneration sought to be paid	₹ 1.20 crore p.a. plus annual increment as per Company policy plus car with driver for official use w.e.f. 6th February, 2023. In addition, Mr. Thapar would be eligible for the perks of Group Accidental Insurance for Self as per Company policy and Mediclaim Insurance Coverage of 12.50 Lacs (Floater Policy) for Self, Spouse, and two Dependent Children.
Remuneration last drawn	₹ 80.00 Lakh/p.a.
Date of first appointment on the Board	06/02/2023

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	
Registered Office	

Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the Member(s) of ____ Shares of the above-named Company hereby appoint :

Name:	
Address:	
e-Mail ID:	
Signature	

or failing him

Name:	
Address:	
e-Mail ID:	
Signature	

or failing him

Name:	
Address:	
e-Mail ID:	
Signature	

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Annual General Meeting of the Company**, to be held on **Monday**, **4th September, 2023** at Panagarh Industrial Park, Panagarh, Dist. Purba Bardhman, West-Bengal 713148 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.

1.___________________________

2.___________________________

Affix Revenue Stamps

Signed this _____ day of _____2023

Signature of Proxy holder(s)

Note:- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Please complete this Attendance Slip in all respects and hand it over at the entrance of the Meeting Hall:

Regd. Folio No./DP ID & Client ID.	:	
Name and Address of Member (s) Address	:	
Number of Shares held in the Company	:	
e-Mail ID	:	

I/We certify that I/We am/are a registered Members/Proxy for the registered Members of the Company.

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company held at Panagarh Industrial Park, Panagarh, Dist. Purba Bardhman, West-Bengal 713148.

Signature of the Members

Or Proxy : ________________

Name : ________________

Note: -

1. Members / joint members /Proxies are requested to bring the Attendance Slip with them. Duplicate attendance slips will not be issued at the meeting venue.
2. A proxy is requested to bring his/her valid photo identity proof to the meeting.

Directors' Report

To
The Members,
The Board of Directors (Board) hereby submits the fourteen Annual Report of your Company ("The Company" or "Matix") along with Audited Financial Statements, for the year ended 31st March, 2023.

FINANCIAL RESULTS:

The financial highlights of the year are given below:

(₹ in million)

Particulars		For the year ended 31st March, 2023.	For the year ended 31st March, 2022.
(a)	Net Total Income	57,942.35	24,464.50
(b)	Less: Operating and Administration Expenses	(45,197.51)	(20,470.51)
(c)	Profit / (Loss) before Depreciation and Taxes	12,744.84	3,993.99
(d)	Less: Depreciation and Finance cost	(7,480.20)	(5,796.49)
(e)	Profit / (Loss) before Taxes (PBT) and exceptional items	5,264.64	(1,802.50)
(f)	Exceptional Items	(4,671.48)	7,430.80
(g)	Less: Provision for taxation		
	Current	-	-
	Tax Deferred Tax/ (Credit)	174.55	(4,260.81)
(h)	Profit / (Loss) after Taxes (PAT)	418.61	9,889.11
(i)	Other comprehensive income/(expenses)	(4.14)	(9.96)
(j)	Tax effect on above (item no. i)	1.04	2.51
(k)	Total comprehensive income for the year	415.51	9,881.66
(l)	Balance brought forward from previous period	(8,677.10)	(18,558.76)
(m)	Net profit / (loss) carried to Balance Sheet	(8,261.59)	(8,677.10)

GENERAL REVIEW ON THE STATE OF COMPANY'S AFFAIRS:

The Company operates a 1.27 MTPA (Million Tons Per Annum) Greenfield integrated gas-based urea fertilizer plant at Panagarh, near Durgapur, West Bengal.

The plant complex has a 2200 TPD (Tons Per Day) ammonia plant and a 3850 TPD urea plant with modern energy efficient technology and a captive power plant, captive railway siding and other utilities and offsite facilities.

The Company has generated EBITDA of ₹ 12,744.84 million for the financial year 2022-23 as compared to ₹ 3,993.99 million in previous year, in spite of the fact that the plant was not in operation due to planned maintenance shutdown & GT-PAC breakdown which impacted production for about 3 months during the current financial year.

The Financial year 2022-23 was a very eventful year for the Company during which several milestones have been achieved.

During the year, the Company crossed 1.0 million tons of urea production and sales.

The urea produced by plant is being efficiently dispatched by both rail and road as per the guidelines issued by Department of Fertilizers (DoF). The Plant is connected to the Panagarh railway station, (via private railway siding), which is connected to the national rail network.

The Company's plant is covered under the New Investment Policy (NIP-2012) for Urea dated 02.01.2013 notified by the Department of Fertilizers under which the urea pricing applicable for the Company is linked to USD denominated Import Parity Price (IPP) of urea with a mechanism for floor and ceiling price and pass-through of variations in gas price.

In order to reduce India's dependency on urea imports, the company has embarked on a mission to maximize production and provide high quality urea to the farmers.

The Company's plant has achieved significant production milestones, demonstrating improved performance compared to the previous year. The Plant produced 10,52,291 MT of Urea and 6,17,596 MT of Ammonia. Notably, the Company achieved the highest monthly production of 73,561 MT of Ammonia in July 2022 and 1,24,020 MT of Urea in May 2022. Additionally, the highest monthly urea dispatch of 1,24,327 MT was recorded in May 2022.

The financial year 2022-2023 witnessed significant achievements in production, despite certain limitations. The Company is actively pursuing energy efficiency measures, conducting energy audits, and implementing sustainability practices to ensure the long-term success and sustainability of our operations and remain committed to delivering exceptional performance while maintaining a responsible approach towards the environment and stakeholders.

DIVIDEND:

As the Reserves and Surplus of the Company as on 31st March, 2023 were not positive, the Board could not recommend any dividend for the financial year 2022-23.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there are no unpaid dividends pending for the Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of the Company.

HOLDING AND SUBSIDIARY COMPANY:

India Agri Holding Ltd. ("IAHL"), Mauritius holds 1008.89 million Equity Shares as on 31st March, 2023, which is equivalent to 51.33% of total paid up equity share capital of the Company, thus making it a Holding Company of Matix Fertilisers and Chemicals Limited.

As on 31st March, 2023, the Company had no subsidiary.

CAPITAL:

As on 31st March, 2023, the issued, subscribed and paid-up Equity Share Capital of your Company consisted of 1,965.460 million Equity Shares of ₹ 10/- each and Preference Share Capital consisted of 250.00 million, 8% Cumulative Redeemable Preference Shares (CRPS)* of ₹ 10 each, aggregating paid-up Share Capital of Company ₹ 22,154.60 million.

RESERVES AND SURPLUS:

The Company generated positive EBITDA and Net Profit during the financial year. The company continues to have net accumulated losses of ₹ 8,261.59 million as on 31st March, 2023 (FY 22 accumulated loss ₹ 8,677.10 million). Therefore, for the financial year 2022-23, the requirement of transfer of any amount to General Reserves is not applicable to the Company.

RISK MANAGEMENT:

The Company has developed and implemented a Risk Management Policy. The Risk Management Committee comprising executive directors and functional heads periodically reviews, the risk document, the effectiveness of existing controls, implementation of risk mitigation plans for the key risks and new or emerging risks associated with the businesses of the Company including the risks, if any, which may imperil the continuation of the Company. The composition and terms of reference of the Risk Management Committee are given in the Corporate Governance Report. The risk document containing key risks are also reviewed by the Audit Committee

DETAILS OF BOARD MEETINGS:

During the year 4 (four) Board meetings were held, details of which are given below:

Sr. No.	Date of the meeting	No. of Directors attended the meeting
1	21/07/2022	5
2	30/08/2022	4
3	13/10/2022	4
4	06/02/2023	5

MEETINGS OF VARIOUS COMMITTEES OF BOARD:

During the year, the composition of various Committees of the Board and date of meetings were as under: -

a. **Audit Committee**

During the financial year 2022-23, a total of 4 (four) Audit Committee meetings were held.

Sr. No.	Date of the meeting	Name of Director	Chairperson/ Members
1.	21/07/2022	Mr. Firdosh Debara	Chairperson
2.	30/08/2022	Ms. Sudha Bhushan	Member
3.	13/10/2022	Mr. Nishant Kanodia	Member
4.	06/02/2023		

b. **Nomination and Remuneration Committee (NRC)**

During the financial year 2022-23, a total of 2 (two) NRC meetings were held.

Sr. No.	Date of Meeting	Name of Director	Chairperson/ Members
1.	30/08/2022	Mr. Firdosh Debara	Chairperson
2.	06/02/2023	Ms. Sudha Bhushan	Member
		Mr. Nishant Kanodia	Member

c. **Corporate Social Responsibility Committee (CSR)**
During the financial year 2022-23, 2 (two) meetings of CSR committee were held.

Sr. No.	Date of Meeting	Name of Director	Chairperson/ Members
1.	21/07/2022	Mr. Firdosh Debara	Chairperson
2.	30/08/2022	Ms. Sudha Bhushan	Member
		Mr. Nishant Kanodia	Member

CHANGES IN DIRECTORS:

During the year under review, Mr. Yogendra S. Kanodia ceased to be Director, Chairman of the Company and of the Board w.e.f. 30/04/2022 due to his sad demise. Mr. Nishant Y. Kanodia was appointed as Chairman of the Company and of the Board w.e.f. 01/05/2022. Mr. Kapil Kumar Khandelwal resigned as the Whole-Time Director w.e.f. 06/12/2022. Mr. Rajan Thapar was appointed as the Whole-Time Director of the Company w.e.f. 06/02/2023.

KEY MANAGERIAL PERSONNEL:

The following executives functioned as Key Managerial Personnel during the year:

1.	Mr. Manoj Mishra	Managing Director
2.	Mr. Kapilkumar Khandelwal	Whole Time Director (Resigned from 06/12/2022)
3.	Mr. Rajan Thapar	Whole Time Director (appointed from 06/02/2023)
4.	Mr. Vishnu Prakash Singhal	Chief Financial Officer
5.	Mr. Vishnu R. Murkar	Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of Company have confirmed and declared that they are not disqualified to act as Directors and fulfil the conditions and possess necessary qualifications as applicable to Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013. The Board is also of the opinion that the Independent Directors fulfil all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

The Company has received declarations from all these Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 read with the Schedules and Rules issued thereunder.

OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

The Board states that it's present Independent Directors fulfil the conditions of integrity, expertise and experience based on the size and operations of your Company. Further, the Board hereby states that the Independent Directors have registered themselves with the Independent Directors Databank as required as per the MCA circular.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION:

Your company has duly constituted the Nomination and Remuneration Committee (NRC) as per the criteria under Section 178 of the Companies Act, 2013. A policy of nomination and remuneration for selection, appointment, and remuneration of Directors, KMP and senior management employees, is in place and with key objective that composition of Board, its committees and remuneration of Directors, KMP and senior management employees is reasonable and sufficient to attract, retain and motivate. Appointed Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board and the policy also lays down the positive attributes/ criteria while recommending the candidature for the appointment as Director.

The NRC met 4 times in the financial year.

Details of the Nomination and Remuneration Policy as set out are available at website of the Company at www.matixgroup.com

A copy of the policy of Nomination and Remuneration is enclosed as **Annexure- I** to this report.

PUBLIC DEPOSITS:

The Company has not accepted any Deposits from the public during the year under review, pursuant to the provisions of Section 73 of the Companies Act, 2013 & the Deposit Rules made thereunder.

Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013:

As on 31st March, 2023, the Company has following Inter Corporate Financial exposure:

(₹ in million)

Name of the Company	Amount of ICD (₹ In million)	Interest accrued but not due on ICD (₹ In million)
Logan Advisors Private Limited	615.00	0

Subject to the above, the Company has no other financial exposure to any other Company within the meaning of the provisions of Section 186 of the Act during the year whether in terms of loans, guarantees or investments.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

During the earlier years, the Company had initiated arbitration proceedings under Arbitration and Conciliation (Amendment) Act, 2015 (Act) against one of its suppliers for recovery of the security deposits and for recovery of damages/losses caused due to the party's non-performance of the contractual obligations. The supplier had also filed counter claims against the Company. The arbitration proceedings have been concluded with an original award on 2:1 basis in favour of the supplier and against the Company for ₹ 1190.00 million plus interest at the rate of 6.04% pa from April 2018 without adjustment of security deposits with supplier. Subsequently, the Company and supplier filed application u/s 33 of the Act. The majority Arbitrators have given a corrected award dated 27th May, 2023 which has reduced cost of Original Award to ₹ 1070.00 million plus interest at the rate of 6.04% pa from April 2018 without adjustment of security deposits with supplier. The Company is in the process of filing the necessary appeal to set aside the Original and Additional Award. On the basis of independent legal advice, management believes that the Company has a good case on merits and that the liability, including the corrected liability accounted for the year, will not exceed the total outflow, if any arise out of this matter.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, to the extent as per the observations mentioned in the Auditors Report;

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

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

(d) the Directors had prepared the annual accounts on a going concern basis, considering various future viable options towards commencement of operations and generation of revenue for the Company; and

(e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return in the form MGT-9 is Annexed as **Annexure-II**. A copy of annual return of the Company is available on the website of the Company at the weblink: https://www.matixgroup.com/wp-content/uploads/2023/08/Draft_Annual-Return-in-MGT-7-for-f.y.-2022-23-04.08.2023.pdf

INDEPENDENT AUDITOR & INDEPENDENT AUDITOR'S REPORT:

M/s Walker Chandiok & Co. LLP has been appointed as Independent Auditor of the Company for the period of five years from conclusion of 10th Annual General Meeting to 15th Annual General Meeting to be held in the year 2024.

The Report of the Independent Auditors along with notes to Financial Statements are enclosed to this report. The observations, qualifications and adverse remarks made in the Auditors' Report are commented on Director's Report separately.

DIRECTORS' COMMENT ON INDEPENDENT AUDITOR'S REPORT:

Board's comments on qualifications, reservations or adverse remarks or disclaimer (if any) made by the Independent Auditor:

The Independent Auditors have given a clean and unqualified Report.

COST AUDIT AND COST RECORDS:

Pursuant to Section 148(3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost Records and Audit Rules) 2014, on the recommendation of the Audit Committee, the Board has approved appointment of M/s. Thakur & Co, Kolkata, Cost Accountants as Cost Auditor of the Company for the financial years 2022-23 and 2023-24.

SECRETARIAL AUDIT:

In terms of Section 204 of the Act and Rules made thereunder, M/s. HSPN & Associates LLP; Practicing Company Secretaries has been appointed as Secretarial Auditors of the Company for the year 2022-23.

The report of the Secretarial Auditors is enclosed as **Annexure-III** to this report.

BOARD OF DIRECTORS' COMMENTS ON SECRETARIAL AUDIT REPORT:

Board of Directors' comments on observations of the Secretarial Auditor.

Board of Directors' Comments, explanations and clarifications on aforesaid observations as under:

1. The Company has not filed an application condoning the delay for Special Resolutions passed in the Extra- Ordinary General Meeting held on 17th October, 2019.

    - The Company is in the process of filing a condoning application with an appropriate authority for condonation of the delay.

CORPORATE GOVERNANCE:

The Company believes in creating value for its stakeholders following the principles of fairness, equity, transparency, accountability, and dissemination of information. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

Your Company has number of policies to ensure transparent and efficient corporate governance to be a model corporate citizen of the country.

Corporate Governance Report is attached as **Annexure-IV**

VIGIL MECHANISM:

Your company has duly established the vigil mechanism under Section 177 of the Companies Act, 2013. The Chairperson of the Audit Committee has been appointed as Ombudsperson of the company under the policy.

No incident of whistle blowing has been reported during the financial year 2022-23.

The Whistle Blower Policy of the Company is available on its website www.matixgroup.com

SEXUAL HARASSMENT:

The Company has formed policy for all the employees against sexual harassment under the provisions of the Sexual Harassment of Women at Workplace Act, 2013 and Rules 2013.

An Internal Complaint Committee has been constituted by the Management to register, investigate and redressal of Sexual Harassment as per the provisions of Act.

No incident of sexual harassment of women at workplace has been reported during the financial year 2022-23.

RELATED PARTY TRANSACTION:

During the year under review, the Company has not entered into any new transaction with a related party. All erstwhile related Party transactions that were entered into are at arm's length basis, in the ordinary course of business and were in due compliance with the provisions of Companies Act, 2013 and the rules framed thereunder. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of transactions entered into with the related parties are enclosed as **Annexure-V** to this Report.

BUSINESS RESPONSIBILITY / CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY DEVELOPMENT:

Your Company has continued its commitment to establish itself as a socially responsible corporate citizen.

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

The Policy lays down the guiding principles and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community, in and around its area of operations and other parts of the country.

The Company, through its CSR initiatives, continues to enhance value creation in the society and in the communities in which it operates, through its products, services, conduct & initiatives, so as to promote sustainable growth for the society and community with concern for environment, in fulfilment of its role as a Socially Responsible Corporate.

On the basis of the recommendations of the CSR Committee, Board of Directors approved CSR Policy in its meeting held on 21st July, 2022.

Your Company has fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Companies Act, 2013.

In spite of the above, as a responsible corporate citizen, the Company had allocated a budget of ₹ 10.00 million for CSR activities for the year 2022-23. During the year, 8 specific activities/projects were taken up after September 2022 out of which 1 has been completed by 31st March, 2023 and work on the remaining 7 projects are continuing. The status of these projects was placed before the CSR Committee and the Board.

During the present year, to have Company's presence and visibility among the Community, upon the recommendation of CSR Committee and approval of the Board, the Company has provided a budget of ₹ 10.00 million towards the CSR activities to be undertaken during the financial year 2023-24.

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

The Company continuously makes efforts to conserve energy in its manufacturing facilities and allied operations and look for avenues to use alternate sources of energy, to reduce its carbon footprint.

The requisite information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the Companies (Accounts) Rules, 2014 is set out in **Annexure-VI** attached to this Report.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

The Liquidator of the EPC Construction Limited (EPCC) filed the Company Petition No. 156/2022 before National Company Law Tribunal (NCLT), Kolkata under section 7 of IBC 2016 for non- redemption amount of 25,00,00,000, 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, totaling ₹ 2500.00 million along with non- payment of cumulative dividend of ₹ 600.00 million aggregating to ₹ 3100.00 million. As on the date of this report, the said petition is *sub-judice* before the NCLT, Kolkata.

ENVIRONMENT, HEALTH & SAFETY AND EMPLOYEE RELATIONS:

A. Environment, Health & Safety

We firmly believe ensuring human health, operational safety, environmental protection, is necessary to sustain the business. In this regard, we have taken various initiatives to achieve the best EHS practices surpassing industry standards. Our aim is to go beyond compliance and achieve world class EHS standards in all our operation processes.

Some of the major initiatives & practices adopted at the site are:

- A strong health and safety management system is in practice and followed since the design stage and for preventive maintenance of equipment and machinery to ensure occupational health and safety of employees, contractor workforce, society.
- Effective implementation of the safety system is ensured through hazard identification & risk assessment (HIRA) and mitigation procedures, strong updated safety work permit system, etc.
- Safety committees at individual plant level and site level involving all concerned stakeholders are in place and organized at regular intervals to discuss any EHS issues and strategizing EHS initiatives.
- To encourage safety awareness and involvement among employees and contract workforce, online reporting system implemented through QR scanning for "Near-Miss" & "Unsafe condition/ unsafe Act" and award scheme for such reporting is in place. The observations are investigated, and Corrective measures taken horizontally on time bound manner.
- Detailed and exhaustive Standard Operating Procedures (SOPs) have been prepared for effective management of solid waste, liquid waste, and any unforeseen events like spillage of liquid ammonia, aMDEA, etc.
- Our sustainable practices include Refuse, Reduce, Recycle and Reuse of resources, thereby conserving natural resources.
- We have a well-developed ETP, STP, Rainwater Harvesting, arrangements in place.
- Extensive EHS trainings are conducted by internal and external experts on different aspects of safety, Occupational health and environmentally sustainable practices.
- Awareness campaigns are organized by involving stake holders, viz, National Safety Day, Fire safety week, Road Safety week, Blood donation day, Earth Day, World Environment Day, Ozone Day, etc.

Achievements of the Company:

- All approvals related to EHS are in place and valid. The laid down conditions and obligations are compiled and reported to the concerned authorities on a regular basis.
- Activities for implementation of Environment Management System and Safety Management System have been started for latest standards of international systems of ISO 14001:2015 and ISO 45001:2018, respectively. TUV-Rheinland has been engaged for auditing and Certification of their compliance.
- We comply with the requirements of Plastic waste management rules and registered with CPCB as Brand owner.
- All wastes including Biomedical waste, E-waste, Batteries waste, Hazardous wastes and other wastes are managed as per the latest guidelines of CPCB and WBPCB.
- The emergency handling procedures are established for strengthening the Emergency Preparedness at site and fire crew are engaged round the clock for ensuring safe execution of critical & high-risk jobs. Regular mock drills on emergency handling being conducted involving all stake holders and necessary improvements implemented.
- All emissions from the stacks and liquid effluent parameters are monitored through online instruments and transmitted to CPCB and WBPCB servers on Realtime basis.
- A well-developed greenbelt with a variety of plants across the complex has been developed and maintained. Water requirements for the greenbelt are met through treated STP and ETP water.
- Periodic EHS audits are conducted through 3rd party experts and their observations/ suggestions are implemented to further strengthen the EHS processes.

B. Employee Relations

Total employee strength as on 31st March, 2023 was 421 including 16 women employees, Matix has 36% professional and 64% technical manpower, which is a sign of strong and sustainable human capital.

During the year 2022-23, your company continued to enjoy cordial relations with the local entities resulting in a good working climate, industrial peace, and harmony without any industrial disturbance.

Your directors wish to place on record their deep sense of appreciation to the employees for their commendable teamwork, exemplary professionalism & enthusiastic contribution during the year.

INTERNAL CONTROL SYSTEM & ITS ADEQUACY:

The Company has an effective internal control system driven by checks and balances that ensure safeguarding of assets and regulatory compliances.

In the Board Meeting held on 9th May, 2023 the Company appointed M/s. PricewaterhouseCoopers Private Limited, as the Internal Auditor of the company for a period for Financial Year 2023-24 and 2024-25.

The Audit firm submits annual reports to the management. The Audit Committee reviews financial statements and internal audit reports along with internal control systems.

The Company has a well-defined organizational structure, authority levels and internal rules and guidelines for conducting business transactions.

ANNUAL EVALUATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

In compliance with the provisions of the Companies Act, 2013, the performance evaluation of the Board, its committees and individual Directors were carried out during the year.

The evaluation framework for assessing the performance of the Board and Committees comprises of the following key areas:

1. Strategy
2. Performance Management
3. Investment
4. Core Governance & Compliances
5. Frequency of meetings and adequacy of information
6. Company values and relationship with stakeholders

REPORTING OF FRAUD BY AUDITORS:

During the year under review, the Auditors of the Company have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act.

SECRETARIAL STANDARDS:

Your directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2 as revised by the ICSI, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been followed by the Company.

POLICIES:

The Company seeks to promote the highest levels of ethical standards in the normal business transaction guided by the value system. The Companies Act, 2013 mandates formulation of certain policies for Public Companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and amended from time to time. The policies are available on the website of the Company at www.matixgroup.com

INFORMATION TECHNOLOGY:

Your organization has initiated an exercise aimed at the centralization of all information technology related systems and processes to leverage the investments made in SAP and other systems for better performance, productivity, and security. Our updated IT policies are ITIL 4.0 compliant and have helped the enablement of Multifactor authentication for external access. Active Directory (AD) server is implemented with centralized policies and users. The Company has established a VPN tunnel between the Mumbai headquarters and the Noida Pr.MO as the primary connection, and between the Mumbai headquarters and the Panagarh site to enhance security and connectivity. Company has installed the Fortinet 100F firewall which has been configured with high availability in all locations. The Company has implemented a disaster recovery setup for business continuity at Corporate HQ, Mumbai.

STATEMENT CONTAINING PARTICULARS AND REMUNERATION PAID TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE ACT:

The statement containing particulars and remuneration paid to employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed in **Annexure-VIII** to this Report:

REGISTERED OFFICE:

The Registered office of the Company has not been changed during the financial year and is situated at Panagarh Industrial Park, Panagarh Bazar, Dist.- Purba Bardhman, Panagarh, West Bengal-713148.

The Books of Accounts and other records are maintained at the corporate office situated at Poonam Chambers, B wing, 5th Floor, Dr. A. B. Road, Worli, Mumbai-400018.

MANAGEMENT DISCUSSION AND ANALYSIS:

The detailed analysis of the Company's operations for the financial year 2022-23 are given in the Management Discussion and Analysis (MDA) which is enclosed as **Annexure-IX** to the Report.

CAUTIONARY STATEMENT:

Statements in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objective, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking Statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements might differ materially from those either expressed or implied therein.

Annexures forming part of this Report: -

Annexures	Particulars
I	Company Policy on Appointment and Remuneration
II	Annual Return Extract
III	Secretarial Audit Report
IV	Corporate Governance Report
V	Related Party Transactions (AOC-2)
VI	Report on Corporate Social Responsibility (CSR) activities.
VII	Conservation of energy, Technology absorption and foreign exchange earnings and outgo.
VIII	Statement pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
IX	Management Discussion and Analysis.

ACKNOWLEDGEMENT:

The Board wishes to gratefully acknowledge the unstinted support and cooperation received by the Company from its employees. It would wish to thank current lenders, Department of Fertilizers (GOI), Government of West Bengal, the local authorities and all stakeholders for their encouragement and kind support received during the year.

This report will be incomplete without a specific appreciation for the Members of the Company who have shown immense confidence and understanding in the Company's Management.

For and on behalf of the Board of Directors

Nishant Kanodia
Chairman

Manoj Mishra
Managing Director

Place: Mumbai
Date: 4th August, 2023

ANNEXURE - I

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-2023.

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR EMPLOYEES

BACKGROUND

Matix Fertilisers and Chemicals Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

Constitution of the Nomination and Remuneration Committee comprising of three or more non-executive directors out of which not less than one-half shall be independent directors.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

The Nomination and Remuneration Committee shall, while formulating the policy ensure that:

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Such policy shall be disclosed in the Board's report.

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE:-

Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.

Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on the Board diversity. Recommend to the Board, remuneration to be paid to the Company's Executive Directors as may be permissible by laws applicable. Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits. Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

CRITERIA FOR DETERMINING THE FOLLOWING:-

Qualifications for appointment of Directors (including Independent Directors):

Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service. Their financial or business literacy/skills. Their industry experience. Appropriate other qualification/experience to meet the objectives of the Company. As per the applicable provisions of Companies Act 2013, Rules made thereunder.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

Positive attributes of Directors (including Independent Directors):

Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively. Actively update their knowledge and skills with the latest developments in the fertilisers industry, market conditions and applicable legal provisions. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.

To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules as amended from time to time.

Criteria for appointment of KMP/Senior Management:
To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities, to practice and encourage professionalism and transparent working environment, to build teams and carry the team members along for achieving the goals/objectives and corporate mission, to adhere strictly to code of conduct.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:

To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully. No director/KMP/ other employee is involved in deciding his or her own remuneration.

The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage, qualification, performance and scope to arrive at a competitive quantum of remuneration. It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated. Improved performance and scope should be rewarded by increase in remuneration and suitable authority for value addition in future. Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

Following criteria are also to be considered:-
Responsibilities and duties;

- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources. Ensuring tax efficient remuneration structures;
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low;
- Other criteria as may be applicable;
- Consistent application of remuneration parameters across the organization, Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

PRESENT POSITION OF DIRECTOR'S & KMP OF THE COMPANY

The Company has constituted a Nomination and Remuneration Committee of the Board of Directors (Board).

During the year under review, Mr. Yogendra S. Kanodia ceased to be director and Chairman of the Company w.e.f. 30/04/2022 due to his sad demise. Mr. Nishant Y. Kanodia was appointed as Chairman of the Company and of the Board w.e.f. 01/05/2022. Mr. Kapil Kumar Khandelwal resigned as the Whole-Time Director w.e.f. 06/12/2022. Mr. Rajan Thapar was appointed as the Whole-Time Director of the Company w.e.f. 06/02/2023.

Managing Director (MD), Whole time Director (WTD), Chief Financial Officer (CFO) and Company Secretary (CS) are employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA	**MANOJ MISHRA**
Director and Chairman	Managing Director
DIN: 02009880	DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

ANNEXURE - II

of Directors' Report

FORM NO. MGT-9

Extract of Annual Return

As on financial year ended on 31st March, 2023

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U24120WB2009PLC153272
Registration Date	:	07/07/2009
Name of the Company	:	Matix Fertilisers and Chemicals Limited
Category / Sub-Category of the Company	:	Company limited by shares
Address of the Registered office and contact details	:	Panagarh Industrial Park, P.O. Panagarh Bazar, Dist.- Purba Bardhaman, Panagarh, West Bengal – 713148.
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Datamatics Business Solutions Limited Plot no. B 5, Part B Cross Lane, MIDC, Marol, Andheri (East) Mumbai - 400093

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Project for manufacture of urea and other organic fertilizers	20121	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	India Agri Holdings Ltd., Mauritius	-	Holding	51.33	2(46) of Companies Act, 2013.

IV. SHARE HOLDING PATTERN :

A. Equity share capital breakup as percentage of total Equity share capital

1. Category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	49970	-	49,970	0.003	49970	-	49,970	0.003	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	12,00,00,000	-	12,00,00,000	6.11	12,00,00,000	10	12,00,00,010	6.11	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	**12,00,49,970**	**-**	**12,00,49,970**	**6.11**	**12,00,49,970**	**10**	**12,00,49,980**	**6.11**	**NIL**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1845410336	-	1845410336	93.89	1845410336	-	1845410336	93.89	NIL
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**1845410336**	**-**	**1845410336**	**93.89**	**1845410336**	**-**	**1845410336**	**93.89**	**NIL**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1965460306**	**-**	**1965460306**	**100**	**1965460306**	**10**	**1965460316**	**100**	**NIL**
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Non-Institutions									
a) Bodies Corp.	-	30	30	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	20	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	1	-	-	-	1	-	-	-	-
Sub-total(B)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1**	**30**	**31**	**-**	**1**	**20**	**21**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1965460307**	**30**	**1965460337**	**100**	**1965460307**	**30**	**1965460337**	**100**	

B. Share holding pattern (Preference share capital breakup as percentage of total Preference share capital)

1. Category-wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Bodies Corporate)	Nil	250,000,000	250,000,000	100	Nil	250,000,000	250,000,000	100	NIL
Sub-total (B)(1):	**Nil**	**250,000,000**	**250,000,000**	**100**	**Nil**	**250,000,000**	**250,000,000**	**100**	**NIL**
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**Nil**	**250,000,000**	**250,000,000**	**100**	**Nil**	**250,000,000**	**250,000,000**	**100**	**NIL**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**Nil**	**250,000,000***	**250,000,000**	**100**	**Nil**	**250,000,000**	**250,000,000**	**100**	**NIL**

***Note:**- Issued 25,00,00,000, 8% Cumulative Redeemable Preference Share of ₹ 10/- each of ₹ 250,00,00,000 matured and due for payment on 25th August, 2018 along with the cumulative dividend at the rate of 8% p.a., to EPC Constructions India Limited, cumulative dividend for three years of ₹ 60.00 core aggregating total dues to ₹ 310,00,00,000. The Company has not earned any profits which is available for distribution of dividend in any preceding financial years and in fact, has an accumulated losses of INR 8261.20 million (as on 31 March 2023). Accordingly, Company not able to redeem CRPS amount and payment of dividend towards the issued 8% Cumulative Redeemable Preference Shares.

C. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	India Agri Holdings Ltd, Mauritius	1008,887,054	51.33%	51.33%	1008,887,054	51.33%	51.33%	0.00
2	Matix Fertilisers Holdings Ltd, Mauritius	83,65,23,282	42.56%	42.56%	83,65,23,282	42.56%	42.56%	0.00
3	NSK Holdings Pvt. Ltd.	12,00,00,000	6.11%	6.11%	12,00,00,000	6.11%	6.11%	0.00
4	Yogendra Kanodia	37,970	0.00	NIL	NIL	0.00	NIL	0.00
5	Rashmi Kanodia	12,000	0.00	NIL	49,970	0.00	NIL	0.00
6	NSK Advisors Private Limited	-	-	-	10	0.00	NIL	0.00

D. Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Matix Fertilisers Holdings Ltd., Mauritius					
		No. of shares	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
	At the beginning of the year	83,65,23,282	42.56%	83,65,23,282	42.56%
	There is no Change in the Shareholding of this Company.				
	At the End of the year	83,65,23,282	42.56%	83,65,23,282	42.56%
NSK Holdings Pvt. Ltd., India					
		No. of shares	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
	At the beginning of the year	12,00,00,000	6.11	12,00,00,000	6.11
	There is no Change in the Shareholding of this Company.				
	At the End of the year	12,00,00,000	6.11	12,00,00,000	6.11
India Agri Holdings Ltd., Mauritius					
		No. of shares	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
	At the beginning of the year	100,88,87,054	51.33%	100,88,87,054	51.33%
	There is no Change in the Shareholding of this Company.				
	At the End of the year	100,88,87,054	51.33%	100,88,87,054	51.33%
Mr. Yogendra Kanodia					
	At the beginning of the year	37,970	0.00	37,970	0.00
	Shares transmitted to Mrs. Rashmi Kanodia on demise of Mr. Yogendra Kanodia.				
	At the End of the year	0.00	0.00	0.00	0.00
Mrs. Rashmi Kanodia					
	At the beginning of the year	12000	0.00	12000	0.00
	Acquired 37970 Equity Share through demat transmission from Yogendra S. Kanodia on 31/01/2023.				
	At the End of the year	49970	0.00	49970	0.00
NSK Advisors Private Limited					
	At the beginning of the year	0	0.00	0	0.00
	Acquired 10 Equity Share through transfer from Alpha Share Services Private Limited on 28/10/2022.				
	At the End of the year	10	0.00	10	0.00

E. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRS and ADRS)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
VISTRA ITCL (INDIA) LIMITED (as trustee of NSK Shareholders Trust)		**No. of shares**	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
	At the beginning of the year	1	0.00	1	0.00
	There is no Change in the Shareholding of this Company.	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	1	0.00	1	0.00

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. Madankumar Banwarilal Agarwal					
	At the beginning of the year	0	0.00	0.00	0.00
	Acquired 10 Equity Share through transfer from Beta Share Services Private Limited on 28/10/2022.	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	10	0.00	10	0.00
Mr. Sudeep Saraf					
	At the beginning of the year	0	0.00	0.00	0.00
	Acquired 10 Equity Share through transfer from Gamma Share Services Private Limited on 28/10/2022.	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	10	0.00	10	0.00

F. Shareholding of Directors and Key Managerial Personnel : NIL

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	0.00	0.00	0.00	0.00
	There is no Change in the Shareholding during the year.				
	At the End of the year	0.00	0.00	0.00	0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (as per Audited Financial Statement 31 March 2023)

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	52,344.10	3,814.30	-	56,158.40
ii) Interest due but not paid	0.17	-	-	0.17
iii) Interest accrued but not due	3,575.84	-	-	3,575.84
Total (i+ii+iii)	**55,920.11**	**3,814.30**	**-**	**59,734.41**
Change in Indebtedness during the financial year				
i) Principal Amount	-3,474.31	-661.50	-	-4,135.81
ii) Interest due but not paid	2,793.35	-	-	2,793.35
iii) Interest accrued but not due	421.56	-	-	421.56
Net Change	- 259.40	-661.50	-	-920.90
Indebtedness at the end of the financial year				
i) Principal Amount	48,869.79	3,152.80	-	52,022.59
ii) Interest due but not paid	2,793.53	-	-	2,793.53
iii) Interest accrued but not due	3,997.40	-	-	3,997.40
Total (i+ii+iii)	**55,660.72**	**3,152.80**	**-**	**58,813.52**

* Unsecured Loans include Cumulative Redeemable Preference Shares of ₹ 250,00,00,000 and ICD amount.

VI. REMUNERATION TO DIRECTORS:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In million)

Sl. No.	Particulars of Remuneration		Name of MD/ WTD/ Manager			Total Amount
			Mr. Manoj Mishra (Managing Director)	Mr. Kapilkumar Khandelwal (Whole-Time Director)*	Mr. Rajan Thapar (Whole Time Director)**	
1	Gross salary		16.58	10.38	1.15	28.11
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-		
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option		-	-	-	
3	Sweat Equity		-	-	-	
4	Commission		-	-	-	
	-	as % of profit	-	-	-	
	-	others, specify	-	-	-	
5	Others, please specify PPF, LTA, Leave Encashment, Medical etc.		-	-	-	-
	Total (A)		**16.58**	**10.38**	**1.15**	**28.11**

* Mr. Kapilkumar Khandelwal resigned as Whole-Time Director w.e.f. 06/12/2022

**Mr. Rajan Thapar appointed as Whole-Time Director w.e.f. 06/02/2023

B. Remuneration to other Directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in million)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			
			CEO	Company Secretary	CFO	Total
1	Gross salary		-	5.33	12.59	17.92
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option		-	-	-	-
3	Sweat Equity		-	-	-	-
4	Commission		-	-	-	-
	-	as % of profit	-	-	-	-
	others, specify...		-	-	-	-
5	Others, please specify		-	-	-	-
	Total		**-**	**5.33**	**12.59**	**17.92**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act /FEMA	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Compounding	Provisions of Paragraph 9(1)(B) of Schedule I of FEMA 20	Compounding application for contravention of Paragraph 9(1)(B) of Schedule I of FEMA 20 in respect of delay in filing form FC (GPR) after issue of Shares 4,21,98,227 equity shares on 4th April, 2014	₹ 13, 20,000/- (Rupees Thirteen Lakh Twenty Thousand Only)	RBI, Foreign Exchange Department, Kolkata.	Penalty amount of ₹ 13, 20,000/- paid and contravention compounded.
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA
Director and Chairman
DIN: 02009880

MANOJ MISHRA
Managing Director
DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

ANNEXURE - III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2023.

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

To,
The Members,
Matix Fertilisers and ChemicalsLtd
Panagarh Industrial Park,
P.O. Panagarh Bazar,
Dist.- Purba Bardhman
Panagarh Bardhman WB 713148.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Matix Fertilisers and Chemicals Ltd.** (hereinafter called "The Company/ Matix") having CINU24120WB2009PLC153272. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit period ended on 31st March 2023, complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, e-forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, to the extent applicableprovisions of:

I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;

II. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in Chemical Sector as given in **Annexure-1.**

We have also examined compliances with the applicable clauses of the following:

i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above subject to the following Observation:

1. The company is yet to file an application for condoning the delay for Special Resolutions passed in the Extra-Ordinary General Meeting held on 17th October, 2019 as required under section 460 of the Companies Act, 2013.

We would also like to inform as under:

2. The Liquidator of the EPCConstruction Limited (EPCC) filed the Company Petition No. 156/2022 before National Company Law Tribunal (NCLT), Kolkata under section 7 of IBC 2016for non- redemption amount of matured 25,00,00,000, 8% Cumulative Redeemable Preference Shares of ₹ 10/- each, totalling ₹ 250.00crore along with non- payment of cumulative dividend of ₹ 60.00 crore aggregating to ₹ 310.00 crore. As on the date of this report, the said Company Petition is*sub-judice* before the NCLT, Kolkata.

We further report that:

The Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors, and Independent Directors. The following changes in the composition of the Board of Directors that took place during the year under review were carried out with the provisions of the Act:

- During the period under review, Mr. Yogendra S. Kanodia, the Chairman of Company sadly demised on 30th April, 2022. Further, Mr. Nishant Y. Kanodia, Vice- Chairman of Company was appointed as the Chairman of the Company and of the Board with effect from 1st May, 2022.

- At the 13th Annual General Meeting held on 26th September, 2022, Ms. Sudha Bhushan (DIN: 01749008) was re-appointed as a Non-Executive, Independent Director of the Company for a second term of two (2) consecutive years commencing from 16th March, 2022 till 15th March, 2024.

- At the 13thAnnual General Meeting held on 26th September, 2022 Mr. Kapil Kumar Khandelwal (DIN: 02572569) was re-appointed as the Whole-Time Director (WTD) of the Company w.e.f. 16th September, 2022 up-to 31st January, 2024. Further, Mr. KapilKumar Khandelwal (DIN: 02572569) resigned from the office of Whole Time Director of the Company with effect from 6th December, 2022. Further, the Return of appointment of managerial personnel Pursuant to Section 196 read with Section 197 and Schedule Vof the Companies Act, 2013 and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 about re-appointment of Mr. Kapil Kumar Khandelwal as a Whole-time director was not filed with Ministry of Corporate Affairs (MCA).

- On the Recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 6th February, 2023 appointed Mr. Rajan Thapar as the Whole-Time Director for a term commencing from 6th February, 2023 to 5th December, 2023. Further Mr. Rajan Thapar was appointed as an Occupier for the Company's Factories w.e.f. 6th February, 2023.

Adequate notices are 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 and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We, further report that during the Audit period the following events have taken place:

1. At the 13th Annual General Meeting of the Company held on 26th September, 2022 the following resolutions were passed:

    - Increase in remuneration of Independent Auditor, M/s. Walker Chandiok & Co LLP Chartered Accountants, (Firm Registration No. 001076N/N500013) for the Financial Year 2021-22.

    - fixation and approval of the remuneration of Independent Auditor M/s. Walker Chandiok & Co LLP Chartered Accountants, (Firm Registration No. 001076N/N500013) for the Financial Year 2022-23.

    - Approval onre vision in remuneration of Mr. Manoj Mishra (DIN: 06408953), the Managing Director w.e.f. 1st April, 2022.

    - Appointment of M/s. Thakur & Co, Cost Accountants (Firm Registration No. 000130) as a Cost Auditor of the Company for the financial year 2022-23 &2023-24 and fixation of their remuneration.

    - Waiver for recovery of excess remuneration paid in terms of Section 197 (9) & (10) of the Companies Act, 2013 amounting to ₹ 3.27 crore (Rupees Three Crore Twenty Sever Lakh Only) to Mr. Sandip Kumar Ghosh, an ex- Whole-Time Director of Company during the financial years 2018-2019, 2019-2020, 2020-21 and for the period from 1st April, 2021 to 4th August, 2021.

2. The Board of Directors of the Company at their meeting held on 13th October, 2022 accorded their approval for raising of the funds by issuance up to 80,000, 2.25 % per month unrated, unlisted, secured, redeemable, non-convertible Debentures (Debenture/NCD's), having face value of ₹ 1,00,000/- (Rupees One Lakh only) each aggregating up to ₹ 800,00,00,000/- (Rupees Eight Hundred Crore only), on a private placement basis through Private Placement Offer Letters issued from time to time, ("Debenture Issue"). The said Debentures were repaid along with applicable interest before 31st March, 2023.

3. The Company has received a show cause notice (SCN) dated 16th June, 2023 from the office of the Registrar of Companies, Kolkata, West Bengal for non-compliance of Sub Section 4 of Section 90 of the Companies Act, 2013, read with Rule 4 of Companies (Significant Beneficial Ownership) Rules, 2018 regarding delay of 21 days in filing e-form BEN-2 vide SRN R86773801 dated 21-01-2021. As per the SCN, the Company has submitted its reply within specified date i.e. before 30th June, 2023 and has made representation. As on date of signing of this report, there is no further action from the concerned Authority.

4. The Company has filed an Interlocutory Application (IA) No. 415/2022 before the Hon'ble NCLT Mumbai Bench challenging the decision of Liquidator who had rejected Company's claim of an amount of ₹ 537.87 crore filed under Liquidation process. As on date of signing this Report, the said IA is *sub-judice*.

5. The Company has filed *Suo-moto*an Adjudication Application before the office of the Registrar of Companies, Kolkata, West Bengal and sought to regularize violations under section 197 (9) & (10) of the Companies Act, 2013 on excess managerial remuneration of ₹ 3.27 crore paid to Mr. S.K. Ghosh, an ex- Whole-Time Director of Company. The Registrar of Companies, Kolkata issued Adjudication order on 6th July, 2023 regularizing the prayed violations.

6. During the year, the Company filed *Suo-moto* a Compounding application for regularizing the default committed under Foreign Exchange Management Act, 1999 (FEMA). Reserve Bank of India (RBI) has directed the Company to deposit ₹ 14,51,667/- (Rupees Fourteen Lakh Fifty-One Thousand Six Hundred and Sixty-seven Only) in pursuance of order dated 5th January, 2023. The Company has deposited the requisite amount and made default good.

7. During the year under the review, the Company filed Suo-Moto a compounding application for contravention of provisions of Paragraph 9(1) (A) and 9 (1) (B) of Schedule I of the Foreign Exchange Management (Transfer or Issue of security by a person resident outside India) Regulations, 2000 and the RBI order bearing CA Number KOL/185/2023 penalty of ₹ 13,20,000/-compounded as per Rule of Foreign Exchange (Compounding proceeding) Rules 2000 dated 3rd May, 2000 in respect of delayed filing form FC (GPR) for an allotment of 4,21,98,227 equity shares of the Company of ₹ 10/- each on 4th April, 2014 to its shareholder i.e., Matix Fertilisers Holding Ltd ("MFHL"), Mauritius. Reserve Bank of India (RBI) has directed the Company to deposit ₹ 13, 20,000/- (Rupees Thirteen Lakh Twenty Thousand Only) in pursuance of order dated 31st May, 2023. The Company has deposited the requisite amount and made default good.

8. The Company has over due amount of borrowing including interest on External Commercial Borrowing from VTB Bank (PJSC) due to certain restrictions imposed on the lender and non-availability of payment mechanism, the Company is unable to remit the amounts due under the facilities to any account of the lender in the currency in which such payments are denominated.

Name of Lender	Period of default	Principal (₹ in Million)	Interest (₹ in Million)
VTB Bank (PJSC)	0 to 180 days	3153.08	1722.76
	180 to 365 days	1,982.16	1051.61

For HSPN &ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483
ICSI UDIN: F002827E000742808
PEER REVIEW NO: 2507/2022

Date: 4th August, 2023
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure-2** and forms an integral part of this report.

ANNEXURE - 1

Sector Specific Laws as applicable to the Company being in Fertiliser Industry

1. The Essential Commodities Act, 1955;
2. The Fertilisers (Control) Order, 1985;
3. The Fertiliser (Movement Control) Order, 1973;

For HSPN &ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827 | COP No.: 1483
ICSI UDIN: F002827E000742808
PEER REVIEW NO: 2507/2022

Date: 4th August, 2023
Place: Mumbai

ANNEXURE -2

To,
The Members,
Matix Fertilisers and Chemicals Ltd
Panagarh Industrial Park,
P.O. Panagarh Bazar,
Dist.-Purba Bardhman
Panagarh Bardhman WB 713148.

Our 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. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done 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 our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company. We relied on Signed Financials as provided to us as regards to financial information as mentioned in the said statements.
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 the managementany fraud, error, misstatements arising, if any would be the responsibility of the Board and Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For HSPN &ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827 | COP No.: 1483
ICSI UDIN: F002827E000742808
PEER REVIEW NO: 2507/2022

Date: 4th August, 2023
Place: Mumbai

ANNEXURE-IV

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-2023

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2022-23

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes in creating value for its stakeholders following the principles of fairness, equity, transparency, accountability, and dissemination of information. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc.

2. BOARD OF DIRECTORS:

The Company's Board composition resonates Board diversity and is best demonstrated in the well balanced and independent structure of the Company's Board of Directors which has a very balanced representation of Executive, Non-Executive, and Independent Directors for enhancement of organizational capabilities.

As on 31st March, 2023, six Directors were on the Board. The changes in the composition of the Board during the year and its composition as on 31st March, 2023 was as follows:

A. Composition:

Director	Executive/ Non-Executive	Category	No. of Directorships apart from Matix	
			Public	Private
Mr. Yogendra S. Kanodia *	Non-Executive	Chairman	0	0
Mr. Nishant Y. Kanodia**	Non-Executive	Chairman	1	7
Mr. Manoj Mishra	Executive	Managing Director	1	0
Mr. Kapilkumar Khandelwal***	Executive	Whole-time Director	0	0
Mr. Rajan Thapar****	Executive	Whole-time Director	0	0
Mr. Firdosh M. Debara	Non-Executive	Independent Director	1	0
Mrs. Sudha Bhushan	Non-Executive	Independent Director	3	1
Mr. Nikhil Naik	Non-Executive	Nominee Director of VTB Bank (PJSC)	7	2

*Mr. Yogendra Kanodia ceased to be director of the Company w.e.f. 30th April, 2022, due to his sad demise.

**Mr. Nishant Kanodia was appointed as the Chairman of the Company and of the Board w.e.f. 1st May, 2022.

**Mr. Kapilkumar Khandelwal resigned as the Whole-Time Director w.e.f. 6th December. 2022.

***Mr. Rajan Thapar was appointed as Whole-Time Director of the Company w.e.f. 6th February, 2023.

B. Changes in the Board of Directors during 2022-2023:

During the year under review, Mr. Yogendra S. Kanodia, ceased to be Director and the Chairman of the Company & the Board w.e.f. 30th April, 2022 due to his demise. Mr. Nishant Y. Kanodia was appointed as the Chairman of the Company & of the Board w.e.f. 1st May, 2022. Mr. Kapil Kumar Khandelwal resigned as Whole-Time Director w.e.f. 6th December, 2022. Mr. Rajan Thapar was appointed as the Whole-Time Director of the Company w.e.f. 6th February, 2023.

C. Number of Board Meetings held during the year ended 31st March, 2023:

During the year 2022-23, four Board Meetings were held as below:

Sr. No.	Date of Board Meeting	Place
1	21/07/2022	Mumbai
2	30/08/2022	Mumbai
3	13/10/2022	Mumbai
4	06/02/2023	Mumbai

D. Attendance of Directors at the Board Meetings held during the financial year 2022-23 and Annual General Meeting (AGM) held on 26th September, 2022:

Director	No. of Board Meetings attended	Attendance at the last AGM
Mr. Yogendra Kanodia	0	No
Mr. Nishant Kanodia	4	No
Mr. Manoj Mishra	4	No
Mr. Kapilkumar Khandelwal	1	Yes
Mr. Firdosh Debara	4	No
Mrs. Sudha Bhushan	4	No
Mr. Nikhil Naik	1	No
Mr. Rajan Thapar	0	No

3. AUDIT COMMITTEE:

The Audit Committee of the Company was constituted under Section 177 of the Companies Act, 2013 whose terms/ scope inter alia, include to oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance and independence of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of related party transactions and internal control systems.

The Company has an Audit Committee comprising of four directors, the majority of which are Independent. The Committee is headed by Mr. Firdosh Debara.

A. Composition of the Audit Committee:

Name of the Member	Status	Category
Mr. Firdosh Debara	Chairperson	Non-Executive (Independent Director)
Ms. Sudha Bhushan	Member	Non-Executive (Independent Director)
Mr. Nishant Kanodia	Member	Non-Executive Director

All the members of the Audit Committee possess sound knowledge of accounts, audit, finance, etc.

B. Number of the Audit Committee Meetings held during the year ended 31st March, 2023:

During the year under review, four meetings of Audit Committee were held as below:

Date of Audit Meeting	Place	No. of members attended
21/07/2022	Mumbai	3
30/08/2022	Mumbai	3
13/10/2022	Mumbai	3
06/02/2023	Mumbai	3

The Managing Director and the Chief Financial Officer (CFO) are permanent invitees to Audit Committee Meetings. The representatives of the Independent Auditor, Internal Auditor and Cost Auditor attend such meetings of the Audit Committee, where matters concerning them are discussed.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee of the Company was constituted under Section 178 of the Companies Act, 2013 Which inter alia, includes to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment / removal and shall carry out evaluation of every director's performance and to formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board of Directors policy relating to remuneration for the directors, key managerial personnel and other senior officials.

The Company has a Nomination and Remuneration Committee comprising of three directors, all of whom are Non-Executive Directors. The Committee is headed by Mr. Mr. Firdosh Debara.

A. Composition of the NRC is as follows:

Name of the Member	Status	Category
Mr. Firdosh Debara	Chairperson	Non-Executive (Independent Director)
Ms. Sudha Bhushan	Member	Non-Executive (Independent Director)
Mr. Nishant Kanodia	Member	Non-Executive Director

B. Number of the NRC Meetings held during the year ended 31st March, 2023:

During the year under review, two meetings of NRC were held as below:

Date of NRC Meeting	Place	No. of members attended
30/08/2022	Mumbai	3
06/02/2023	Mumbai	3

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee of the Company was constituted under Section 135 of the Companies Act, 2013 inter alia, include, formulation and recommendation to the Board of Directors, CSR Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013, approve and recommend to the Board of Directors the CSR budget for the activities referred in CSR Policy of the Company and also monitor the mechanism for CSR projects or programs or activities undertaken by the Company and monitor the CSR Policy of the Company from time to time.

The Company has a Corporate Social Responsibility Committee. The Committee is headed by Mr. Firdosh Debara, Independent Director.

A. Composition of the CSR committee is as follows:

Name of the Member	Status	Category
Mr. Firdosh Debara	Chairperson	Independent Director
Mr. Nishant Kanodia	Member	Non-Executive Director
Ms. Sudha Bhushan	Member	Independent Director

B. Number of the CSR Committee Meetings held during the year ended 31st March, 2023:

During the year 2022-23, two meetings of the Corporate Social Responsibility Committee were held as under:

Date of CSR Meeting	Place	No. of members attended
21/07/2022	Mumbai	3
30/08/2022	Mumbai	3

6. RISK MANAGEMENT COMMITTEE:

The Company has a Risk Management Committee comprising of the Managing Director, the Whole Time Director & COO, Plant Head, Marketing Head and Functional Heads at the Corporate Office of the Company. The Committee is headed by Mr. Manoj Mishra, the Managing Director of the Company. The terms of reference of the Committee are in line with the provisions of the Companies Act, 2013 and include other matters delegated to the Committee by the Audit Committee of the Company from time to time.

The Company has also framed a Risk Management Policy with the intention to systematically identify, evaluate, mitigate, and monitor risks in the Company.

A. Composition of the Risk Management Committee is as follows:

Name of the Member	Status	Designation
Mr. Manoj Mishra	Chairperson	Managing Director
Mr. Rajan Thapar	Plant Head	Whole- Time Director & COO
Mr. Karthik Menon	Functional Head	Joint President Strategy & Corporate Development
Mr. Dinesh Singh	Marketing Head	EVP-Marketing
Mr. Vishnu Singhal	Functional Head	Chief Financial Officer (CFO)
Mr. Prashant Das	Functional Head	Chief Human Resource Officer (CHRO)
Mr. Brijesh Singh	Functional Head	EVP-Corporate Affairs
Mr. Madan Agrawal	Functional Head	EVP-Commercial and Nodal Officer

B. Number of the Risk Management Committee Meetings held during the year ended 31st March, 2023:

During the year 2022-23, there were no meetings of the Risk Management Committee held. The First meeting of the Risk Management Committee was held on 27th April, 2023 and deliberated risks collected from all the departments of the Company for the quarter ended March 2023.

7. DETAILS OF ANNUAL GENERAL MEETINGS (AGMS):

A. The last three Annual General Meetings of the Company were held as under:

Financial Year	Location	Date	Time
2019-20	Registered office-Panagarh, Industrial Park, Dist. Purba Bardhman, West Bengal.	29th December, 2020	12 Noon
2020-21	Registered office-Panagarh, Industrial Park, Dist. Purba Bardhman, West Bengal.	22nd November, 2021	3.00 PM
2021-22	Registered office-Panagarh, Industrial Park, Dist. Purba Bardhman, West Bengal.	26th September, 2022	2.00 PM

B. During the last three years, the Company had taken shareholders' approval by way of AGM Special Resolutions as per details given below:

Date of Annual General Meeting		Nature of Approval
29th December, 2020	1.	Regularization of appointment of Additional Independent Woman Director Mrs. Sudha G. Bhushan (DIN 01749008) appointed by the Board w.e.f. 16th March, 2020.
	2.	Approval of the Appointment of Mr. Sandip Kumar Ghosh (DIN: 07300603) as Whole Time Director of the Company for a period of one year w.e.f. 1st August, 2020 up-to 31st July, 2021.
	3.	Approval of One Time Settlement with Term Lenders of Company and authorize Officers of Company to execute One Time Settlement Agreement, Definitive Agreement, and other Agreements/ Documents on behalf of Company.
22nd November, 2021	1.	Renewal of the term of appointment of Mr. Sandip Kumar Ghosh (DIN: 07300603) as Whole Time Director of the Company.
	2.	Regularization of the Appointment of Mr. Kapilkumar Khandelwal (DIN 02572569) as Whole-Time Director.
	3.	Regularization of the Appointment of Mr. Manoj Mishra (DIN: 06408953) as Managing Director of the Company.
	4.	Approval of amendments in AOA, and to adopt restated AOA of Company.
26th September, 2022	1.	Re-appointment of Mrs. Sudha Bhushan (DIN: 01749008) as a Non-Executive, Independent Director of the Company
	2.	Revised remuneration of Mr. Manoj Mishra (DIN: 06408953), Managing Director w.e.f. 1st April, 2022
	3.	Renewal of term of appointment of Mr. Kapil Kumar Khandelwal (DIN: 02572569) as Whole-Time Director (WTD) of the Company and fixation of his Remuneration.
	4.	Waiver of recovery of excess remuneration paid in terms of Section 197 (10) of the Companies Act, 2013 amounting to ` 3.27 Crore (Rupees Three Crore Twenty Seven Lakh Only) to Mr. Sandip Kumar Ghosh, an ex- Whole-Time Director of Company during the financial year 2018-2019, 2019-2020, 2020-21 and for the period from 1st April, 2021 to 4th August, 2021.

8. DISCLOSURES:

1) Non-compliance by the Company, penalties, and strictures imposed on the Company by Registrar of Companies, National Company Law Tribunal, Regional Director, Reserve bank of India or any statutory authority during the last three years:

   i) The Company has filed an adjudication application and sought to regularize violation under section 197 (9) & (10) of the Companies Act, 2013 on excess remuneration of ₹ 327 Lakh paid to Mr. SK Ghosh, the then Whole Time Director of the Company. Registrar of Companies, Kolkata issued adjudication order on 6th July, 2023 and regularize the violation.

   ii) The Company has received a show cause notice dated 16th June, 2023 from the office of the Registrar of Companies, Kolkata, West Bengal for non-compliance of Sub Section 4 of Section 90 of the Companies Act, 2013, read with Rule 4 of Companies (Significant Beneficial Ownership) Rules, 2018 regarding delay of 21 days in filing e-form BEN-2 vide SRN R86773801 dated 21-01-2021.

   The Company has made a submission before the specified date i.e. 30th June, 2023.

2) No personnel have been denied access to the Audit Committee.

9. MEANS OF COMMUNICATION:

1) Website : www.matixgroup.com
2) Correspondence address: Poonam Chambers, B-Wing, 5th Floor, Dr. Annie Besant Road, Mumbai -400018 Maharashtra

10. GENERAL SHAREHOLDER INFORMATION:

1) AGM: Date, Time and Venue: Monday, 26th September, 2022 at 2.00 PM at Panagarh Industrial Park, Panagarh, Dist. Purba Bardhman West Bengal -713148.

2) Financial Year: April –March

3) Registrar and Transfer Agents: Datamatics Business Solutions Limited
16 & 17, MIDC Part B Cross lane, Marol, Andheri (East), Mumbai 400 093.

4) Categories of Equity Shareholders as on 31st March, 2023:

S. No.	Category	No. of Shares held	Percentage of Shareholding
A.	**Promoters' Holding**		
1.	Promoters:		
	Indian Promoters	12,00,49,970	6.11
	Foreign Promoters	184,54,10,336	93.89
2.	Persons acting in concert	-	-
	Sub-Total	**196,54,60,306**	**100.00**
B.	**Non-Promoters' Holding**		
1.	Institutional Investors	0	0
a.	Mutual Funds and UTI	0	0
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non-Government Institutions)	0	0
c	Body Corporate	10	0.00
d	Individual	20	0.00
C.	**Foreign Institutional Investors (FIIs)**	0	0
	Sub-Total	**0**	**0**
1	Others	0	0
	Private Corporate Bodies	0	0
	Indian Public	0	0
	NRIs/OCBs	0	0
	Any Other (Trusts)	1	0
	Sub-Total	**0**	**0.00**
	Grand Total	**196,54,60,337**	**100.00**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA
Director and Chairman
DIN: 02009880

MANOJ MISHRA
Managing Director
DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

ANNEXURE-V

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

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 the Companies Act, 2013, including arms' length transactions under third proviso thereto:

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:-

No transactions.

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Datamatics Business Solutions Limited – Professional Fees- ₹ 727,838/- Mr. Yogendra S. Kanodia* and Mr. Nishant Y. Kanodia were Common Directors. *Mr. Yogendra S. Kanodia expired on 30th April, 2022.
b)	Nature of contracts/arrangements/ transaction	Registrar and Transfer Agent Payroll Management services
c)	Duration of the contracts/arrangements/ transaction	Annual basis
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Registrar and Transfer Agent Fees Base fee of ₹ 20055.85/- per month upto 100 employee and ₹ 103.318/- additional per employee cost over and above 100 employees with 5% Price Escalation every year.
e)	Date of approval by the Board	05/01/2018
f)	Amount paid as advances, if any	NIL

……………………………
(Chairman)

………………………………….
(Managing Director)

ANNEXURE-VI

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

The Policy lays down the guiding principles and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community, in and around its area of

On the basis of the recommendations of the CSR Committee, Board of Directors approved this Policy in Board Meeting held on 21st July, 2022.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Firdosh Debara	Non-Executive Director-Chairperson of the Committee	2	2
2	Ms. Sudha Bhushan	Non-Executive Director- Member	2	2
3	Mr. Nishant Kanodia	Non-Executive Director- Member	2	2

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

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

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

6. Average net profit of the company as per section 135(5):- **NEGATIVE**

7. (a) Two percent of average net profit of the company as per section 135(5): **NA**

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

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

   (d) Total CSR obligation for the financial year (7a+7b-7c).

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 fund specified under Schedule VII as per second proviso to section 135(5)		
₹ 48,15,173/-	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Mini Science Centre	Education	Y	West Bengal	Purba Bardhaman & Paschim Bardhaman	1 Year	13.18	11.55		No	Stem Learning Pvt. Ltd.	
2.	Project Dhadkan	Health	Y	West Bengal	Purba Bardhaman	1 Year	16.15	6.31		No	Vivekananda Hospital	
3.	Project Saksham	Women Empowerment	Y	West Bengal	Purba Bardhaman	1 Year	4.77	0.26		No	Asthitya	CSR00021996
4.	Project Shakti	Women Empowerment	Y	West Bengal	Purba Bardhaman	1 Year	8.11	3.17		No	Dolon Boutiques & Handicrafts Trust	CSR00000482
5.	Rural Development	Rural Development	Y	West Bengal	Purba & Paschim Bardhaman	1 Year	11.8	9.93		Yes		
6.	Human Health Care Camp	1	Y	West Bengal Odisha Bihar Jharkhand Uttar Pradesh Assam	(Jalpaiguri, Uttar Dinajpur Bardhaman, Dakshin Dinajpur, Nadia, Paschim Medanipur, North 24 Pargana) Malkangiri, Sambalpur, Baleshwar (Darbhanga, West Champaran) (Godda, Lohardaga, (Ghazipur) (Barpeta, Nagaon)	1 Year	11.00	10.78		Yes		
7.	Tree Plantation	4	Y	Jharkhand Bihar Uttar Pradesh Assam West Bengal	(Saraikela Kharsawan, Gumla, Bokaro, East Sindhu, Latehar, Dumka, Ranchi, Daltonganj) (Pashchim Champaran, Bhagalpur, Saran, (Pratapgarh, (Puri, Nabarangpur, Kalahandi, Mayurbhanj) (Bokaro,Tinsukiya) (Birbhum, Bardhaman, South 24 Parganas, Nadia, Balgarh, Paschim Medinipur, Bankura, Uttar Dinajpur,)	FY 2022-23	4.25	3.43		Yes		

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	Soil Health Camp	4	Yes	Jharkhand Bihar Odisha Assam West Bengal	(Saraikela Kharsawan, Gumla, Bokaro, East Singhbum, Latehar, Dumka, Ranchi, Daltonganj) (Pashchim Champaran, Bhagalpur, Saran, Puri, Nabarangpur, Kalahandi) (Bokaro,Tinsukiya) (Bardhaman, South 24 Parganas, Nadia, Balgarh, Paschim Medinipur, Bankura)	FY 2022-23	9.00	1.48		Yes		
	Total						**68.26**	**46.91**				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in ₹)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1.									
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 46.91 Lakh

(g) Excess amount for set off, if any

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.			31.22 Lacs				
2.							
3.							
	Total		**31.22 Lacs**				

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

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

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

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

(b) Amount of CSR spent for creation or acquisition of capital asset.

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Though the company has negative Average net profit of the company as per section 135(5), the company has made approved budget for CSR activities of ₹ 10.00 million for the FY 2022-23.

………………………………………… ……………………………………

(Managing Director) (Chairperson of CSR Committee)

ANNEXURE-VII

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION

Pursuant to Section 134 (3) (M) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

- In April 2022 plant turn around and during the period of GT-PAC repairing job, following major jobs were carried out:

- In ammonia plant exchangers like 124-C, 108-C hydro jetting and chemical cleaning were done.
- Inspection and overhauling of critical equipment like Syn gas Turbine and ARC turbine.
- Refrigeration compressor LP casing dry gas seal replacement.
- Overhauling of CO2 Turbine was done. A new turbine rotor was installed. Turbine HP, IP and extraction line insulation repaired. New PM control system uploaded.
- Inspection of Anti surge valve of CO2 Turbine: earlier anti surge was partially in open condition, after upgradation of software it got closed.
- Inspection of the Urea Stripper and repairing of internals improved the performance.
- Hydro jet cleaning of all cooling water exchangers.

(ii) The steps taken by the company for utilizing alternate sources of energy.

- Study conducted for installation of 1 MW solar power system in the complex.
- Generation of Green Hydrogen and Green Ammonia is being explored.

(iii) The capital investment on energy conservation equipment:
Nil

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption: Nil.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported.

(b) the year of import.

(c) whether the technology been fully absorbed.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

- Plants are being operated with adopted technologies as mentioned above and new imported technologies were not adopted during last 3 years.

(iv) The expenditure incurred on Research and Development: Nil.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA	**MANOJ MISHRA**
Director and Chairman	Managing Director
DIN: 02009880	DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

ANNEXURE-VIII

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name of the Employee	Designation	Remuneration Received.	Nature of employment whether contractual or otherwise	Age as on 31st March, 2023	Gross Remuneration (₹ In Lakh)	Qualification	Experience (in years)
1	Manoj Mishra	MD	1,11,26,323	Permanent	61.4	1,65,83,014	Cost & Management Accountant	37
2	Kapil Khandelwal	President	88,24,293	Permanent	59.5	1,49,76,184 (Pro rata basis as per DOL)	Cost & Chartered Accountant	34
3	Karthik Menon	Joint President	69,11,504	Permanent	49.4	1,21,64,383 (Pro rata basis as per DOJ)	Masters in Management Studies, Masterclass in Digital Transformation	26
4	Brijesh Singh	EVP	83,15,904	Permanent	54.8	1,32,24,100	B.Com	34.2
5	Vishnu Singhal	EVP	67,97,476	Permanent	60	1,25,90,400	CA	37
6	Madan Agrawal	EVP	79,87,999	Permanent	59	1,24,64,700	ICWA, CA	34

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA
Director and Chairman
DIN: 02009880

MANOJ MISHRA
Managing Director
DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

ANNEXURE-IX

OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022-23

MANAGEMENT DISCUSSION AND ANALYSIS

UREA INDUSTRY

India is a largely agrarian economy and with its growing population and the current economic growth the demand for food products is strong. While India is the 2nd largest consumer of Urea in the world and ranks as one of the lowest per hectare (94.9 Kg/ha) users of N (Nitrogen) fertilizer in the world contributing to low productivity and crop yields. In the eastern region of India, N consumption is only 87.6 kg/ha in comparison to northern region (149 Kg/ha) and it is also lower than national average.

The consumption of Urea is highest among all the fertilisers in India and the demand of Urea is met through indigenous production and imports. The Urea industry comprises of manufacturers from Public, Co-operative and Private Sector. The import of Urea is carried out by the entities nominated by the Government of India. The price of Urea is regulated by the Government of India which pays subsidy on Urea sold for agriculture use. Most of the Urea manufacturing units in India use natural gas as feedstock / raw material. The Government of India has not increased the sale price of Urea to the farmers which resulted into higher subsidy outgo. Urea production in the country during the Financial Year 2022-23 was 28.49 million MT as against 25.07 million MT during the previous year. During the Financial Year 2022-23, total 7.58 million MT of Urea was imported in the country in comparison to 9.14 million MT of Urea imported during the previous year. The Urea sales in the country during the Financial Year 2022-23 were 35.73 million MT against the Urea sales of 34.18 million MT during the previous year.

The price paid by the farmers to the urea manufacturers is fixed by the Government and Government pays subsidy to the manufacturers based on the applicable policy. The freight cost incurred by the Company for distribution of Urea is also subsidized by the DoF as per Uniform Freight Policy (UFP). The freight subsidy is paid to the urea units for the transportation of urea from Plant/Port to the Block/District. While the railway freight cost is fully reimbursed, the road freight is reimbursed on a normative basis as per the UFP. The normative rates are escalated / de-escalated for each financial year, which is revised from time to time.

During the year, Govt of India has implemented "One Nation One Fertilizer" by introducing Single Brand for Fertilizers and Logo under Fertilizer subsidy scheme namely "Pradhan Mantri Bhartiya Janurvarak Pariyojna" (PMBJP). The single brand name for Urea, DAP, MOP and NPKs etc. would be BHARAT UREA, BHARAT DAP, BHARAT MOP and BHARAT NPK etc. respectively for all Fertilizer Companies and Fertilizer Marketing Entities (FMEs). The printing will be done on one side of Fertilizer's bag, two-third of the Fertilizer's bag will be used for the prescribed design and one-third will be used for using Fertilizer companies' identifications.

COMPANY'S PERFORMANCE HIGHLIGHTS

The Financial year 2022-23 was a very eventful year for the Company during which several milestones have been achieved. During the year, the Company crossed 1.0 million tons of urea production and sales. The Company achieved higher revenues and generated healthy EBITDA as compared to the previous year.

The Operational and Financial performance is summarized below:

Particulars	Financial Year	
	2022-23	2021-2022
Urea Production (MT in million)	1.05	0.63
Urea Sales (MTs in million)	1.05	0.62
Revenue (₹ Million)	57942.35	24464.50
Earnings before Depreciation, Interest, Tax and Exceptional Items (₹ in Million)	15728.75	3987.63

Production Performance:

During the fiscal year, Matix plant achieved significant production milestones, demonstrating improved performance compared to the previous fiscal year. We produced 10,52,291 MT of Urea and 6,17,596 MT of Ammonia. Notably, we achieved the highest monthly production of 73,561 MT of Ammonia in July 2022 and 1,24,020 MT of Urea in May 2022. Additionally, our highest monthly urea dispatch of 1,24,327 MT was recorded in May 2022.

Production Limitations:

Certain limitations impacted on our production capacity. (I don't suggest we bring out issue with RLNG supply as it could impact our DD)The breakdown of GT-PAC (Gas Turbine- Process air Compressor) during the year restricted our production potential. Furthermore, low natural gas (NG) pressure was observed briefly in March 2023, which was subsequently normalized after the commissioning of Dhamra port in Odisha in May 2023.

Annual Turnaround and Maintenance Activities:
In April 2022, Matix plant underwent an annual turnaround, providing an opportunity for maintenance and inspection activities. Various maintenance tasks were carried out, including hydro jetting of exchangers and the inspection and overhauling of critical equipment such as the Synthesis gas Turbine, Turbine for Ammonia refrigeration compressor, and CO2 turbine. The Stripper in the Urea plant also underwent inspection and internal repairs which helped in increasing the urea production capacity. The GT-PAC repairing period was utilized to carry out the necessary cleaning of exchangers and other maintenance jobs. Therefore, the Company has no Annual turnaround plans for the next year i.e. 2023-24.

Energy Consumption and Efficiency Measures:
During the fiscal year, our energy consumption figures showed room for improvement. The higher specific energy consumption can be attributed to increased natural gas (NG) consumption in GT-PAC, underperformance of GT-PAC coolers and cooling tower. To address these issues, we have planned to replace the fills in the cooling tower to enhance overall efficiency and reduce energy consumption. Actions were also initiated for GT-PAC operational philosophy changing from open cycle to combined cycle and procuring new GT-PAC intercoolers.

Energy Audit and Sustainability Practices:

a. **Energy Audit:**
   An energy audit for the Ammonia plant by M/s. KBR and for the complex by M/s. Saipem were initiated. Although the audit could not be completed as planned, a Phase I study for the Ammonia plant has been finalized. This study establishes the design energy requirement at 6.808 Gcal/ MT of Ammonia based on the present gas composition. Technology suppliers are conducting further studies to identify opportunities for energy reduction.

b. **Sustainability Practices:**
   Few noteworthy activities towards commitment for implementing sustainable practices within our operations include the following:

Quality Management: For quality management ISO 9001 is being implemented. This certification ensures adherence to internationally recognized standards for quality control and assurance.

Environmental Management: ISO 14001 certification for environmental management is being implemented, focusing on identifying and managing our environmental impact and ensuring compliance with applicable regulations.

Occupational Health and Safety: Progressing towards ISO 45001 certification for occupational health and safety management. This certification aims to ensure the well-being and safety of our employees through robust safety protocols and procedures.

Hazardous Waste Disposal: Established an agreement with M/s. Ramky, approved Common Treatment and Disposal agency, for the safe disposal of hazardous waste generated by our company.

Wastewater Reuse: Treated wastewater from the Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) is being utilized in the creation and maintenance of the green belt, promoting water conservation, and reducing our environmental footprint.

The fiscal year 2022-2023 witnessed significant achievements in production, despite certain limitations. Company is actively pursuing energy efficiency measures, conducting energy audits, and implementing sustainability practices to ensure the long-term success and sustainability of our operations and remain committed to delivering exceptional performance while maintaining a responsible approach towards the environment and our stakeholders.

MARKETING AND DISTRIBUTION OF UREA

Performance Highlights - Marketing
During the year, the Company took rapid strides in establishing itself as a dominant Urea player in the eastern India. The marketing division has developed a robust network of 985 dealers which gives it access to 48500 retailers. The marketing and distribution team is in place and being strengthened as required from time to time.

The Principal Marketing office has been established at Noida along with State Offices/ Area offices in other states of the Company's marketing territory. During 2022-23, Company established a strong business in the eastern region of India by strengthening its network & infrastructure. The Company has also ensured its presence in the states of UP, Punjab and Haryana.

Logistic network including 98 rake handling agencies have already been appointed and the network will be expanded as per the market build-up and requirement. The Marketing team has been able to ensure that the Matix' Bharat brand urea is quickly sold by the dealers/ retailers and stock level is kept to the minimum.

The market and the distribution pattern may at times undergo changes based on the Monthly Movement Plan issued by DOF, priorities of Government of India based on demand requirements in the Eastern Region / rest of India. As per approved state-wise supply plan by Department of Fertilizers (DoF), the company has been able to sell urea as per the below details:

State	Urea Sale in 1000 Mts(thousand MT)
West Bengal	369
Bihar	204
Jharkhand	45
Odisha	148
Uttar Pradesh	162
Assam	87
Haryana	15
Punjab	15
Total	**1045**

Total POS Sale during FY 2022-23 was 1.00 million MT which was 90% of the total availability.

AGRI-INPUTS TRADING BUSINESS

This business was started during the year, which includes specialty plant nutrients, crop protection chemicals and trading in SSP. The Company procures specialty plant nutrient products from reputed manufacturers in India and these products are marketed under own brand name "Dr. Fasal". The Company is gradually strengthening its supply channels and building up volumes for sustainable growth of this product segment. The focus of the Company is to make quality products available to the farmers at a reasonable price.

The crop protection chemicals business in India is dominated by large multinational organizations and domestic manufacturers who manufacture technical grade agrochemicals as well as formulated products such as insecticides, fungicides, herbicides, etc. for agriculture use. The Company is doing Co-marketing business of crop protection chemicals with reputed formulators which are sold under their brands only.

The company has achieved a turnover of ₹ 1020 million in the very first year of trading business.

IMPORTED FERTILIZERS

Company is planning to enter the business of importing and distributing bulk non-urea fertilizers and has signed agreements with various manufacturers/ suppliers of P&K fertilizers.

SUBSIDY RECEIVED UNDER NEW INVESTMENT POLICY

The price paid by the farmers to the urea manufacturers is fixed by the Government of India and Government pays subsidy to the manufacturers based on the applicable policy. During the year, the amount of ₹ 42675.6 million was received as product subsidy for Urea and ₹ 925.6 million towards freight subsidy.

The freight cost incurred by the Company for distribution of Urea is also reimbursed by the DoF as per Uniform Freight Policy (UFP). The freight subsidy is paid to the urea units for the transportation of urea from Plant/Port to the Block/District. While the railway freight cost is fully reimbursed, the road freight is reimbursed on a normative basis as per the UFP. The normative rates are escalated / de-escalated for each financial year, which is revised from time to time.

FARM ADVISORY SERVICES, BRANDING ACTIVITIES AND CSR ACTIVITIES:

The Marketing Division has conducted various branding, Farmer Advisory Services (FAS), and Corporate Social Responsibility (CSR) activities during last year. These activities have significantly contributed to the company's growth, market presence, and positive impact on the farming community.

BRANDING ACTIVITIES

The Marketing Division has effectively embarked on aggressive branding initiatives to create awareness and to establish Matix' strong presence in the working geographies. The successful launch of Matix' diverse product range under brand name "Dr. Fasal" viz. Zyme, City Compost, Calcium nitrate, Mycorrhiza, PROM, PDM, Zinc etc.

Our branding efforts included the distribution of various collaterals such as soil sampling procedure leaflets, Matix Bharat urea posters, product leaflets, polyfoam posters, flex banners, farmer T-shirts, farmer bags, business associate gifts, wall paintings, and shop paintings at selected shops. These branding initiatives have effectively reached the target audience and garnered positive responses.

Branding Activities/ POP Items	Achievement (in No.)
Leaflets	359900
Poly Foam Poster	30000
Bharat Urea A3 Poster	9950
Farmer Bags	9600
T Shirt - Farmers	9040
Flex Banner	667
Total Branding Items in numbers	**419157**

FARM ADVISORY SERVICES

Matix is committed to enhancing the agricultural knowledge and well-being of farmers through various farmer-oriented services. The company has dedicated its Mobile Soil Testing Lab (MSTL) to farming community and conducted various soil health campaigns through MSTL across its marketing territory where soil samples were collected, and instant soil health reports were provided to the farmers. The report contains crop-based fertilisers recommendations considering all parameters like rainfed/irrigated, pH, electrical conductivity, Organic carbon and other nutrients like NPK in the soil, were provided to farmers at their doorsteps. The overwhelming response from farmers has demonstrated the impact and importance of these services in improving agricultural practices.

Name of Activities	No. of Activities
Farmer Data Collection	29215
Dealers/ Retailers Shop Visit	9536
Spot Meeting	3505
Farmer Meeting	446
Farmers Training Program	107
Crop Demonstration & Field Day	20
Farmers Fair	8
Total	**42837**

Further, Matix has actively supported the establishment of 1504 Pradhan Mantri Kisan Samridhi Kendra (PMKSK) across states as per directions of Department of Fertilizers, Govt. of India, where farmer training programmes have been conducted in collaboration with KVK scientists. These training sessions have covered crucial topics such as balanced fertiliser use, nutrient management, crop pest control, and soil health, thereby empowering farmers with knowledge-based crop management practices.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

The Company's Marketing Division has demonstrated a strong commitment to its social responsibility by conducting various CSR activities in states like West Bengal, Bihar, Jharkhand, Odisha, Uttar Pradesh, and Assam. These activities include human health care camps, tree plantation campaigns, and soil health campaigns. These initiatives have not only contributed to the well-being of local communities but have also strengthened the company's reputation as a responsible corporate entity.

Name of Activity	Total No. of Activities
Soil Samples Collected under Soil Health Camp	1082
Soil Samples Analysed	710
Tree Plantation	58
Human Health Camp	20
Total	**1870**

Our Marketing Division has made remarkable progress in the fields of branding, farmer-oriented services, and corporate social responsibility. The company's unwavering commitment to excellence and its positive impact on the farming community reinforce its position as a leading player in the Fertilizer industry.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The workforce profile of total strength of 421 manpower of the Company has 36% professional and 64% technical manpower, which is a sign of strong and sustainable human capital. The talent acquisition for FY 22-23 was 20% whereas the attrition was 10%. We current have 4% of women employees. With our endeavor to have a young workforce, we have hired Management Trainees in the Marketing division in this financial year as we hired GETs for the plant in the previous year.

Besides, the management has reviewed various people policies and introduced new people processes, benchmarking the best HR practices in the industry with a view to attract and retain talent. The company also reviewed the compensation of the employees in the last appraisal to have internal parity and retention.

The company has streamlined most of the HR process to have a homogeneous employee experience across the locations of Marketing division, Plant and Corporate office. Regular employee engagement activities are undertaken throughout the year, awards the organization to foster team spirit and active involvement of employee.

Matix has a cordial employer-employee relationship and a healthy and productive contract workforce without any industrial activism. This reflects our cordial industrial relations.

SWOT ANALYSIS OF THE COMPANY

Strengths

- World-class technology & equipment
- Market leader, located in the heart of the agricultural region of eastern India
- Only urea manufacturing unit in West Bengal
- Strong dealer network in core marketing territory
- Strategic locational advantage
- Superior quality products and services with a robust distribution network
- Capability augmentation and new product developments
- Availability of gas, water, and land
- Energy-efficient operations

Weaknesses

The Sector is heavily dependent on the subsidy policies of the Government of India.

- Dependency on weather and agro-climatic cropping pattern due to which some months have lean demand for urea.

Opportunity

- Currently the eastern region lags in per hectare consumption of Urea compared to the national average. Improvement in average will provide an opportunity for the company.

- Proximity to the market and a good marketing network with a rich and deep understanding of the rural market provides an opportunity for the Company to expand the marketing network and leverage it for the sale of associated products/activities.

- Connectivity to the national gas grid will offer the opportunity to operate the plant beyond rated capacity and potential to also add value added products based on the natural gas as building block.

- Availability of land and infrastructure for manufacturing of allied chemicals and agro-based business verticals.

- Upgradation of current facilities as necessary and expansion of capacity by setting up Train II at the same plant site.

Threat

- Increase in gas prices – though gas prices are pass-through under NIP-2012 and does not impact the Company's EBITDA, it increases the working capital requirement.

- Inflation – high inflation in India and globally, may lead to minor increase in non-gas costs to the Company.

MITIGATION MEASURES

Your Company has analyzed its comparative position in the fertilizer business environment of the country. Based on the detailed analysis, long term strategic planning has been carried out leveraging the inherent strength of the company, harnessing the available opportunity and to iron out the weakness and to thwart the threat.

Some of the weaknesses identified are inherent to the business-like dependence on the weather and agro-climatic conditions and seasonality aspect of the business. These are however being addressed by the Government of India by increasing the irrigation facilities in the country and promoting crops which could resist the vagaries of the weather. Your company is actively providing all the help in addressing this issue to all the concerned agencies.

FUTURE PLANS

- Diversification in the field of Imported Bulk fertilizers & other Agri inputs. In this direction, the Company has already made a modest foray into the Agrichemicals business.

- Increase the production capacity to maximize the inbuilt plant capacity without compromising the plant health and energy consumption.

- Build strong brand for the product and the company to enable leveraging for further growth.

- Build a strong and reliable organization to become a launchpad for future business opportunities in agro-nutrient sector.

- Production of Green Ammonia.

- Building a 5 million MT agri-nutrient portfolio

- Developing a second train of plant that will augment capacity

- Initiating 500,000 MT of non-Urea imports

- Demand study for crop-specific nutrients for distribution

- Evaluating partnerships in crop protection that can leverage our strong and efficient distribution network.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
MATIX FERTILISERS AND CHEMICALS LIMITED

NISHANT KANODIA
Director and Chairman
DIN: 02009880

MANOJ MISHRA
Managing Director
DIN: 06408953

Date: 4th August, 2023
Place: Mumbai

Independent Auditor's Report

To the Members of Matix Fertilisers and Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Matix Fertilisers and Chemicals Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of the limits laid down under section 197 read with Schedule V of the Act.

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

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31st March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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

   i. The Company, as detailed in notes 14.4(d), 30(a), 31 and 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2023;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2023;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.

   iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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

   c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year ended 31st March 2023.

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/ N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 23109632BGXECW7563

Place: Mumbai
Date: 4 August 2023

Annexure I to the Independent Auditor's Report of even date to the members of Matix Fertilisers and Chemicals Limited on the financial statements for the year ended 31st March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

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

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

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

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to the book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not provided any security, guarantee or advances in the nature of loans during the year. However, the Company has provided loans to other entities during the year as per details given below:

(₹ in million)

Particulars	Loans
Aggregate amount provided/ granted during the year: - Others	8,600.00
Balance outstanding as at balance sheet date (including amounts outstanding at the beginning of the year) - Others	615.00

(b) The Company has not made any investment, provided any guarantee or given any security during the year. However, the Company has granted loans to two (2) other parties aggregating ₹ 8,600.00 million (year-end balance ₹ 615.00 million) and in our opinion, and according to the information and explanations given to us, such loans given are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such other parties.

(e) The Company has granted loan which had fallen due during the year and such loans were extended during the year. The details of the same has been given below:

(₹ in million)

Name of the party	Total loan amount granted during the year	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Nature of extension (i.e. renewed/ extended/ fresh loan provided)	Percentage of the aggregate to the total loans granted during the year
Logan Advisors Private Limited	850.00	850.00	Extended	9.88%

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security prevailed by it, as applicable. Further, the Company has not entered into any transactions covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the specified products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, profession tax, income tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

Nature of borrowing	Name of lender	Period of default	Amount not paid on due date: Principal (₹ in million)	Amount not paid on due date: Interest (₹ in million)	Remarks
External Commercial Borrowings from Bank	VTB Bank (PJSC)	0 to 180 days	3,153.08	1,722.76	Due to certain restrictions imposed on the lender and non-availability of payment mechanism, the Company is unable to remit the amounts due under the facilities to any account of the lender in the currency in which such payments are denominated.
		180 to 365 days	1,982.16	1,051.61	

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

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

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

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

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

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

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

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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

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

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

(xx) According to the information and explanations given to us, the Company fulfilled the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/ N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 23109632BGXECW7563

Place: Mumbai
Date: 4 August 2023

Annexure II to the Independent Auditor's Report of even date to the members of Matix Fertilisers and Chemicals Limited on the financial statements for the year ended 31st March 2023

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Matix Fertilisers and Chemicals Limited ('the Company') as at and for the year ended 31st March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/ N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632
UDIN: 23109632BGXECW7563

Place: Mumbai
Date: 4 August 2023

Balance Sheet

as at 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	50,661.74	52,842.56
Right of-use-assets	3B	916.08	930.74
Capital work-in-progress	3C	276.73	381.63
Other intangible assets	3D	0.80	1.21
Other financial assets	4	63.89	932.38
Deferred tax assets (net)	6	4,089.81	4,263.32
Non-current tax assets (net)	5	415.24	62.84
Other non-current assets	7	25.27	174.21
Total non-current assets		**56,449.56**	**59,588.89**
Current assets			
Inventories	8	1,891.33	967.62
Financial assets			
Trade Receivables	9	13,230.23	7,299.31
Cash and cash equivalents	10	5,238.87	2,920.58
Bank balances other than cash and cash equivalents	11	3,143.35	4,065.59
Loans	12	615.00	800.00
Other financial assets	4	104.30	67.00
Other current assets	7	339.37	307.66
Total current assets		**24,562.45**	**16,427.76**
TOTAL ASSETS		**81,012.01**	**76,016.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	19,654.60	19,654.60
Other equity	13A	(8,261.59)	(8,677.10)
Total equity		**11,393.01**	**10,977.50**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	37,732.02	47,087.08
Lease liabilities	36	47.52	50.02
Other financial liabilities	17	2,933.17	2,976.58
Provisions	15	-	0.13
Total non-current liabilities		**40,712.71**	**50,113.81**
Current liabilities			
Financial Liabilities:			
Borrowings	14	14,290.57	9,071.32
Lease liabilities	36	7.16	6.43
Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		58.59	18.08
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,778.53	3,362.44
Other financial liabilities	17	5,427.09	2,132.95
Other current liabilities	18	296.06	287.97
Provisions	15	48.29	46.15
Total current liabilities		**28,906.29**	**14,925.34**
TOTAL EQUITY AND LIABILITIES		**81,012.01**	**76,016.65**

The accompanying notes form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

Rakesh R Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 4th August, 2023

For and on behalf of the Board of Directors of
Matix Fertilisers and Chemicals Limited

Nishant Y Kanodia
Director and Chairman
DIN : 02009880

Manoj Mishra
Managing Director
DIN : 06408953

Vishnu Singhal
Chief Financial Officer

Vishnu Murkar
Company Secretary

Place: Mumbai
Date: 4th August, 2023

Statement of Profit and Loss

for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
Income			
Revenue from operations	19	57,208.95	24,338.35
Other income	20	733.39	126.15
Total income		**57,942.34**	**24,464.50**
Expenses			
Cost of materials consumed	21	25,984.06	10,916.12
Purchases of stock- in- trade		849.39	-
Changes in inventories of finished goods and work-in-progress	22	(554.26)	(507.70)
Power, fuel and water expenses	23	14,726.59	7,633.81
Employee benefits expense	24	730.12	619.08
Other expenses	25	3,461.60	1,809.20
		45,197.50	**20,470.51**
Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)		12,744.84	3,993.99
Finance costs	26	4,954.09	3,232.74
Depreciation and amortisation expense	27	2,526.11	2,563.75
Profit/ (loss) before tax and exceptional items		**5,264.64**	**(1,802.50)**
Exceptional Items - (loss)/ gain	28	(4,671.48)	7,430.80
Profit before tax		**593.16**	**5,628.30**
Tax expense/ (credit)			
Current tax	5	-	-
Deferred tax	6	174.55	(4,260.81)
Net Profit for the year (A)		**418.61**	**9,889.11**
Other comprehensive income/ (loss)			
(a) Items that will not be reclassified subsequently to statement of profit or loss			
- Loss on remeasurement of defined benefit plans	33	(4.14)	(9.96)
- Tax effect on above	6	1.04	2.51
(b) Item that will be reclassified subsequently to statement of profit or loss		-	-
Other comprehensive loss for the year, net of tax (B)		**(3.10)**	**(7.45)**
Total comprehensive income for the year, net of tax (A+B)		**415.51**	**9,881.66**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	29	0.21	5.03
Diluted (in ₹)	29	0.21	5.03

The accompanying notes form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

Rakesh R Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 4th August, 2023

For and on behalf of the Board of Directors of
Matix Fertilisers and Chemicals Limited

Nishant Y Kanodia
Director and Chairman
DIN : 02009880

Manoj Mishra
Managing Director
DIN : 06408953

Vishnu Singhal
Chief Financial Officer

Vishnu Murkar
Company Secretary

Place: Mumbai
Date: 4th August, 2023

Statement of Changes in Equity

for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

a) Equity Share Capital (equity shares of ₹ 10 each)

Particulars	Number	₹ million
As at 1st April, 2021	1,96,54,60,336	19,654.60
Issued during the year [Refer note 13(h)]	1	0.00^
As at 31st March, 2022	1,96,54,60,337	19,654.60
Issued during the year	-	-
As at 31st March 2023	**1,96,54,60,337**	**19,654.60**

^ represents amount less than ₹ 10,000

b) Other Equity

Particulars	Reserves and surplus
	Retained earnings
As at 1st April, 2021	(18,558.76)
Profit for the year	9,889.11
Other comprehensive loss for the year	(7.45)
As at 31st March, 2022	**(8,677.10)**
Profit for the year	418.61
Other comprehensive loss for the year	(3.10)
As at 31st March, 2023	**(8,261.59)**

The accompanying notes form an integral part of the financial statements

This is the statement of changes in equity referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

Rakesh R Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 4th August, 2023

For and on behalf of the Board of Directors of
Matix Fertilisers and Chemicals Limited

Nishant Y Kanodia
Director and Chairman
DIN : 02009880

Manoj Mishra
Managing Director
DIN : 06408953

Vishnu Singhal
Chief Financial Officer

Vishnu Murkar
Company Secretary

Place: Mumbai
Date: 4th August, 2023

Statement of Cash Flow

for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	593.16	5,628.30
Adjustments for:		
Loss on disposal of tangible and intangible assets (net)	209.00	10.59
Depreciation and amortisation expense	2,526.11	2,563.75
Interest expenses	4,932.66	1,808.07
Exchange loss on foreign currency translation/ payment (net)	4,671.48	1,253.54
Interest income	(720.17)	(119.85)
Gain on debt restructuring	-	(9,193.47)
Gain on lease cancellation	(0.06)	(6.17)
Provision no longer required written back	(103.14)	-
Operating profit before working capital changes	**12,109.04**	**1,944.76**
Adjustments for changes in working capital :		
Increase in inventories	(923.70)	(758.57)
Increase in trade receivables	(5,930.92)	(7,299.31)
Decrease/ (Increase) in current/ non-current financial and other assets	(11.41)	(112.71)
Increase in trade payables, provisions, other financial and other liabilities	5,717.60	1,618.61
Net cash generated from/ (used in) operations	**10,960.61**	**(4,607.23)**
Direct taxes paid (net)	**(352.40)**	**(30.64)**
Net cash generated from/ (used in) operating activities (A)	**10,608.21**	**(4,637.86)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Refer note 2)	(413.70)	(736.66)
Proceeds from sale of property, plant and equipment	0.05	16.32
Inter corporate deposits given	(7,800.00)	(800.00)
Proceeds from repayment of inter corporate deposits	7,985.00	-
Proceeds from/ (Investments in) bank deposits	1,792.69	(4,929.75)
Interest received	685.51	55.89
Net cash generated from/ (used in) investing activities (B)	**2,249.55**	**(6,394.20)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	0.00^
Repayment of current borrowings	(1,933.88)	(24,451.90)
Repayment of non - current borrowings	(13,039.92)	(732.91)
Proceeds from current borrowings	-	6,661.33
Proceeds from non - current borrowings	6,500.00	33,843.75
Interest paid	(2,051.24)	(1,370.97)
Payment of lease liabilities	(14.43)	(22.56)
Net cash (used in)/ generated from financing activities (C)	**(10,539.47)**	**13,926.74**
Net increase in cash and cash equivalents (A+B+C)	2,318.29	2,894.68
Cash and cash equivalents at the beginning of the year	2,920.58	25.90
Cash and cash equivalents at the end of the year (Refer note 10)	**5,238.87**	**2,920.58**

^ represents amount less than ₹ 10,000

Notes:

1. The cash flow statements has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Additions include movements of capital work-in-progress, capital advances and liability from capital goods, including intangible assets.

This is the cash flow statement referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

Rakesh R Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 4th August, 2023

For and on behalf of the Board of Directors of
Matix Fertilisers and Chemicals Limited

Nishant Y Kanodia
Director and Chairman
DIN : 02009880

Manoj Mishra
Managing Director
DIN : 06408953

Vishnu Singhal
Chief Financial Officer

Vishnu Murkar
Company Secretary

Place: Mumbai
Date: 4th August, 2023

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

1. Background

Matix Fertilisers and Chemicals Limited (the 'Company') is a Public Limited Company. The Company having CIN U24120WB2009PLC153272 was incorporated on 7th July, 2009 and is domiciled in India. The Company has set up a Greenfield Gas Based Ammonia - Urea Project in Burdwan District, West Bengal. The fertiliser complex have 3,850 MTPD (Metric Tonnes per day) single stream Urea Plant and 2,200 MTPD Ammonia Plant and associated offsite and utility facilities.

The registered office of the Company is Panagarh Industrial Park, Panagarh, Purba Bardhaman, West Bengal - 713169, India.

These financial statements of the Company for the year ended 31st March, 2023 (the 'financial statements') were authorised for issue in accordance with resolution of the Board of Directors on 4th August, 2023.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to each of the years presented in the financial statements, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, (as amended from time to time) and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

2.2 Basis of classification of Current and Non-Current

Based on the nature of products/ services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities. The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification

An asset is treated as current when it is:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (₹), which is Company's functional and presentation currency, and all values are presented in ₹ million (₹ 000,000), except when otherwise indicated.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(b) Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(c) Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items, measured at fair value denominated in a foreign currency are translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss (Also refer note no 2.14 Borrowing cost)

2.4 Significant accounting judgements, estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known/ materialised.

Estimates and assumption:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Going concern assumption:

As at 31st March, 2023, the Company has a negative current ratio i.e. current liabilities exceeds current assets which is an indicator that may cast doubt on the entity's ability to continue as a going concern.

The Company's position of net current liability as at 31st March, 2023 is primarily on account of pre-payment of non-current debt. The management of the Company has prepared the cash flow projections for the next twelve months wherein the Company has demonstrated its ability to generate sufficient cash flows for meeting all its obligations falling due in the next twelve months.

Considering the negative working capital as at 31st March, 2023 a temporary situation and based on cash flow projections made by the Company's management wherein the management is confident of meeting the obligations as they fall due, accordingly, the management considers it appropriate to prepare these financial statements on a going concern basis.

(b) Estimation of current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/ or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

The realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the applicable tax rates, scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

periods 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 the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(c) Estimation of Provisions and Contingent Liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

(d) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. Management has prepared the financials on going concern basis and hence performed impairment testing on value in use basis as management believes it to be most appropriate basis for testing impairment. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(g) Estimation of effective interest rate

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

2.5 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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(Amount in ₹ million, unless otherwise stated)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operation.

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

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

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

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

2.6 Property, plant and equipment ('PPE')

PPE are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and

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equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Property, plant and equipment under construction and pre-operative expenditure related to and incurred during implementation of capital projects is included under Capital work in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment is calculated on a straight line basis, using the rates arrived at based on the estimated useful life as mentioned below:

Asset	Useful Life	Basis of determination of useful lives^
Leasehold land	99 years	Over the lease term i.e. 99 years
Buildings	5 - 60 Years	Assessed to be in line with Schedule II to the Act.
Lease hold improvements	Over the lease period	Assessed to be in line with Schedule II to the Act.
Plant and equipment - Continuous Process Plant	25 years	Assessed to be in line with Schedule II to the Act.
Plant and equipment - Laboratory equipment	2 - 10 years	Based on technical evaluation by management's expert
Plant and equipment - Others	3 - 15 years	Assessed to be in line with Schedule II to the Act.
Railway Sidings	15 years	Assessed to be in line with Schedule II to the Act.
Motor Vehicles	8 Years	Assessed to be in line with Schedule II to the Act.
Computers	3 - 6 Years	Assessed to be in line with Schedule II to the Act.
Office equipment	3 - 5 Years	Based on technical evaluation by management's expert
Furniture and fixtures	10 Years	Assessed to be in line with Schedule II to the Act.

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

2.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets representing cost of software capitalised is amortised over its useful life which is estimated to be a period of three (3) years.

2.8 Impairment of non-financial assets

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

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

Impairment losses of continuing operations, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

2.9 Leases

The Company's lease asset classes primarily consist of leases for land, building and motor vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of the consideration.

At the date of the commencement of the lease, the Company recognises a right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability for all the lease arrangements in which it is a lease, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease in the statement of profit and loss

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Carrying amount of right-of-use asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The future lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. For a lease with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Right-of-use assets and lease liabilities have been separately presented in the Balance Sheet. Further, lease payments have been classified as financing cash flows.

2.10 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

Debt Instruments-

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

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

A debt instrument is classified at the FVTOCI if both the following conditions are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

Equity Instruments-

For the purposes of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(iii) Impairment of financial assets

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

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(b) **Financial liabilities**

(i) **Initial recognition and measurement**

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

(ii) **Subsequent measurement**

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities at amortised cost

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

(c) **Offsetting of financial instruments**

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

2.11 Cash and Cash Equivalents

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

2.12 Inventories

Semi-finished goods, finished goods and stores and spares are stated at the lower of cost and net realisable value. Cost of semi-finished goods and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition assigned to individual items of inventory moving weighted average basis. Stores and spares are valued using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Borrowings cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur. The company has recognised exchange difference arising on revaluation of borrowings as an adjustment to borrowing costs.

2.14 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

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Contract balances

Contract assets

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

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer note 2.10 to accounting policies of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

(a) Sale of goods

Revenue, including subsidy, in respect of sale of goods is recognised at a point in time when control of the goods has been transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue (other than subsidy) from the sales is recognised based on price specific ed in the contract, net of estimated volume discount. Amounts disclosed as revenue are net of returns and allowances, trade discounts, rebates and goods & service tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Subsidy on Urea including freight have been accounted on the basis of notified concession prices as under:

(i) New Investment Policy 2012 (amended); and

(ii) Uniform Freight Policy.

The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters

(b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR.

(c) Insurance claims

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

2.15 Employee benefits

(a) Provident fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss when an employee renders the related service. There are no other obligations other than the contributions to the respective funds.

(b) Gratuity liability is a defined benefit obligation, provided for on the basis of actuarial valuations on projected unit credit method made at the end of each financial year. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

(c) Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

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short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. However, as the Company does not have an unconditional right to defer settlement for these obligations, the above liabilities are presented as current. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

2.16 Income Taxes

Tax expense comprises current income tax and deferred tax. Current income tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interest in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are off-set if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Earnings/ (loss) per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

2.18 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic resources is probable.

2.19 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be executed on capital account and not provided for.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "manufacture and sale of Fertilisers". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.21 Earnings Before Interest, Tax, Depreciation and Amortisation (EBIDTA)

Earnings Before Interest, Tax, Depreciation and Amortisation (EBIDTA) is computed by adding interest (finance cost), tax expenses and depreciation and amortisation expense to net profit for the year.

2.22 Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.23 Recent accounting pronouncements

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

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 - Income Taxes

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

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

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Note 3A. Property, plant and equipment

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fittings	Motor Vehicles	Railway sidings	Office equipment	Computers	Total
Gross carrying value (at deemed cost)										
As at 1st April, 2021	3.16	4,220.08	5.27	58,203.69	24.55	10.79	-	21.95	41.49	62,530.98
Additions	-	1,382.97	-	191.72	2.08	0.26	318.37	3.15	15.62	1,914.17
Disposals	-	-	(5.27)	(22.50)	-	-	-	-	-	(27.77)
As at 31st March, 2022	3.16	5,603.05	-	58,372.91	26.63	11.05	318.37	25.10	57.11	64,417.38
Additions	-	9.53	-	442.66	2.80	4.00	55.18	4.79	14.21	533.17
Disposals	-	-	-	(259.11)	-	-	-	(0.02)	(1.42)	(260.55)
As at 31st March, 2023	**3.16**	**5,612.58**	**-**	**58,556.46**	**29.43**	**15.05**	**373.55**	**29.87**	**69.90**	**64,690.00**
Accumulated Depreciation										
As at 1st April, 2021	-	869.66	5.27	8,092.66	18.78	7.23	-	17.98	37.08	9,048.66
Depreciation charge	-	261.15	-	2,256.64	1.38	0.79	10.12	1.94	3.27	2,535.29
Accumulated depreciation on disposals	-	-	(5.27)	(3.86)	-	-	-	-	-	(9.13)
As at 31st March, 2022	-	1,130.81	-	10,345.44	20.16	8.02	10.12	19.92	40.35	11,574.82
Depreciation charge	-	222.64	-	2,246.92	1.26	1.00	23.68	1.94	7.50	2,504.94
Accumulated depreciation on disposals	-	-	-	(50.11)	-	-	-	(0.02)	(1.37)	(51.50)
As at 31st March, 2023	**-**	**1,353.45**	**-**	**12,542.25**	**21.42**	**9.02**	**33.80**	**21.84**	**46.48**	**14,028.26**
Net carrying value										
As at 31st March, 2022	3.16	4,472.24	-	48,027.47	6.47	3.03	308.25	5.18	16.76	52,842.56
As at 31st March, 2023	**3.16**	**4,259.13**	**-**	**46,014.21**	**8.01**	**6.03**	**339.75**	**8.03**	**23.42**	**50,661.74**

Notes:

(i) Refer note 14.2 for information on Property, plant and equipment pledged as security against borrowings of the Company.

(ii) Refer note 30(b) for disclosure of contractual commitments for acquisition of Property, plant and equipment.

(iii) The title deeds of all immovable properties (other than properties where the Company is lessee and lease arrangements are duly exercised in the favour of lessee) are held in the name of the Company.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 3B. Right-of-use assets

	Land	Buildings	Motor Vehicles	Total
Gross carrying value				
As at 1st April, 2021	920.55	97.47	6.78	1,024.80
Additions	2.89	47.00	1.17	51.06
Disposals/ Adjustments	(15.35)	(59.54)	(3.77)	(78.66)
As at 31st March, 2022	**908.09**	**84.93**	**4.18**	**997.20**
Additions	-	2.70	4.24	6.94
Disposals	-	(1.58)	-	(1.58)
As at 31st March, 2023	**908.09**	**86.05**	**8.42**	**1,002.56**
Accumulated depreciation				
As at 1st April, 2021	20.00	42.79	2.71	65.50
Depreciation charge	9.87	15.82	1.55	27.24
Accumulated depreciation on disposals/ adjustments	(0.33)	(24.19)	(1.76)	(26.28)
As at 31st March, 2022	**29.54**	**34.42**	**2.50**	**66.46**
Depreciation charge	9.80	8.45	2.29	20.54
Accumulated depreciation on disposals	-	(0.52)	-	(0.52)
As at 31st March, 2023	**39.34**	**42.35**	**4.79**	**86.48**
Net carrying value				
As at 31st March, 2022	878.55	50.51	1.68	930.74
As at 31st March, 2023	**868.75**	**43.70**	**3.64**	**916.08**

Note: Refer note 36 for Ind AS 116 - Lease and the related disclosures.

Note 3C. Capital work-in-progress ('CWIP')

	Amount
As at 1st April, 2021	1,758.82
Additions	8.53
Transferred to property, plant and equipment	(1,385.72)
As at 31st March, 2022	**381.63**
Additions	193.97
Transferred to property, plant and equipment	(298.87)
As at 31st March, 2023	**276.73**

(a) CWIP ageing schedule

	As at 31st March, 2023		As at 31st March, 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	198.05	-	8.53	
1-2 years	34.92	-	-	
2-3 years	8.77	-	-	
More than 3 years	-	34.99	338.11	34.99
Total	**241.74**	**34.99**	**346.64**	**34.99**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(b) CWIP whose completion is overdue compared to its original plan

As at 31st March, 2023	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects temporarily suspended				
Storage tanks	-	29.90	-	-
CCTV system	-	3.34	-	-
Urea bag diverter	-	1.75	-	-
	-	**34.99**	**-**	**-**

As at 31st March, 2022	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects temporarily suspended				
Storage tanks	-	29.90	-	-
CCTV system	-	3.34	-	-
Urea bag diverter	-	1.75	-	-
	-	**34.99**	**-**	**-**

Note 3D. Other intangible assets

	Computer software
Gross carrying value	
As at 1st April, 2021	36.07
Additions	-
Disposals	-
As at 31st March, 2022	**36.07**
Additions	0.22
Disposals	-
As at 31st March, 2023	**36.29**
Accumulated amortisation	
As at 1st April, 2021	**33.64**
Amortisation charge	1.22
Reversal on disposal of assets	-
As at 31st March, 2022	**34.86**
Amortisation charge	0.63
Reversal on disposal of assets	-
As at 31st March, 2023	**35.49**
Net carrying value	
As at 31st March, 2022	1.21
As at 31st March, 2023	**0.80**

Note: Refer note 14.2 for information on Intangible assets pledged as security against borrowings of the Company.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 4. Other financial assets

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Security deposits	51.96	47.93
Bank deposits with maturity of more than 12 months ^	11.41	881.86
Interest accrued on bank deposits	0.52	2.59
Total other non-current financial assets	**63.89**	**932.38**
^ Held as margin money/ security against borrowings and/ or guarantees issued by banks on behalf of the Company		
Current		
Security deposits	3.21	3.02
Interest accrued on bank deposits	99.82	63.10
Advance to employees	1.27	0.88
Total other current financial assets	**104.30**	**67.00**
Total other financial assets	**168.19**	**999.38**

Note 5. Income tax assets (net)

		As at 31st March, 2023	As at 31st March, 2022
i.	**The following table provides the details of income tax assets and liabilities:**		
	a) Income tax assets	432.97	80.57
	b) Income tax liabilities	(17.73)	(17.73)
	Net income tax assets	**415.24**	**62.84**
ii.	**The gross movement in the current income tax assets is as follows:**		
	Net income tax assets at the beginning	62.84	32.20
	Income tax paid (net)	352.40	30.64
	Net income tax assets at the end	**415.24**	**62.84**

		Year ended 31st March, 2023	Year ended 31st March, 2022
iii.	**Income tax expense/ (credit) comprises:**		
	Current tax expense	-	-
	Deferred tax expense/ (credit)	174.55	(4,260.81)
	Income tax expense/ (credit) [net] in Statement of Profit and Loss	174.55	(4,260.81)
	Deferred tax credit in other comprehensive income	(1.04)	(2.51)
	Income tax expense/ (credit) [net]	173.51	(4,263.32)
iv.	**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:**		
	Profit before income tax	593.16	5,628.30
	Applicable income tax rate ^	25.168%	25.168%
	Computed expected tax expense	149.29	1,416.53
	Effect of expenses that are not deductible for determining taxable profits	2.94	9.85
	Effect of income exempt for determining taxable profits	-	(2,313.81)
	Effect of deferred tax assets recognised in previous year on unused tax losses of earlier years	-	(3,373.38)
	Earlier year tax adjustments	22.32	-
	Tax expense/ (credit) charged to the Statement of Profit and Loss	**174.55**	**(4,260.81)**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 6. Deferred tax assets/ (liabilities)

i. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

		As at 31st March, 2023	As at 31st March, 2022
(a)	**Deferred tax assets**		
	Expenses allowable on payment basis	1,541.26	761.69
	Business loss/ unabsorbed depreciation	9,128.47	9,677.58
	Provision for contingencies	333.79	359.75
		11,003.52	**10,799.02**
(b)	**Deferred tax liabilities**		
	Timing difference on tangible and intangible assets depreciation and amortisation	6,913.70	6,535.70
		6,913.70	**6,535.70**
Deferred tax asset (net) (a-b)		**4,089.81**	**4,263.32**

ii. Movement in components of deferred tax assets/ (liabilities) are as follows:

	Business loss / unabsorbed depreciation (A)	Expenses allowable on payment basis (B)	Timing difference on tangible and intangible assets depreciation and amortisation (C)	Provision for contingencies (D)	Total (E)=(A)+(B)+(C)+(D)
As at 1st April, 2021	6,971.89	838.25	(8,014.33)	204.19	-
(Charged)/credited					
- adjustments^	(1,950.47)	(234.51)	2,242.11	(57.13)	-
- to profit or loss [Refer note 6(iii)]	4,656.16	155.44	(763.48)	212.69	4,260.81
- to other comprehensive income	-	2.51	-	-	2.51
As at 31st March, 2022	**9,677.58**	**761.69**	**(6,535.70)**	**359.75**	**4,263.32**
(Charged)/credited					
- to profit or loss	(549.12)	778.53	(378.00)	(25.96)	(174.55)
- to other comprehensive loss	-	1.04	-	-	1.04
As at 31st March, 2023	**9,128.47**	**1,541.26**	**(6,913.70)**	**333.79**	**4,089.82**

^ Pursuant to Company's election to exercise the non-reversible option to pay corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961, the deferred tax assets/ liabilities recognised as at 31st March, 2021 at 34.944% have been remeasured during the previous year basis the revised tax rate of 25.168%.

iii. As at 31st March, 2023, the Company has recognised net deferred tax assets amounting to ₹ 4,089.69 million (31st March, 2022: ₹ 4,263.32 million), which includes deferred tax assets on carried forward unused tax losses and other taxable temprorary differences. The Company is confident of generating taxable profits from operations which is supported by the future projections of taxable profits prepared by the Company's management. Accordingly, the management believes that there exists convincing evidence that sufficient taxable profits will be available against which such unused tax losses can be utilised.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 7. Other assets

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Capital advances	18.69	142.70
Prepaid expenses	6.58	31.51
Total other non-current assets	**25.27**	**174.21**
Current		
Advances to suppliers	34.60	37.93
Prepaid expenses	65.26	57.37
Balances with government authorities	239.51	212.36
Total other current assets	**339.37**	**307.66**
Total other assets	**364.64**	**481.87**

Note 8. Inventories

	As at 31st March, 2023	As at 31st March, 2022
Work-in-progress/ Semi-finished goods	297.46	168.21
Finished goods [including goods-in-transit ₹ 715.20 million (31st March, 2022: ₹ 325.56 million)]	772.34	347.33
Stores, spares and consumables [including goods-in-transit ₹ 37.15 million (31st March, 2022: Nil)]	821.53	452.08
Total Inventories	**1,891.33**	**967.62**

Note 8.1: Refer note 14.2 for details on inventory pledged as security against borrowings of the Company.

Note 9. Trade Receivables

	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	13,230.23	7,299.31
Total trade receivables	**13,230.23**	**7,299.31**
Break-up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	13,230.23	7,299.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**13,230.23**	**7,299.31**
Less: Loss allowance	-	-
Total trade receivable	**13,230.23**	**7,299.31**

Note 9.1: There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private Companies in which any director is a partner, a director or a member.

Note 9.2: Trade receivables are non-interest bearing.

Note 9.3: Trade receivables includes ₹ 13,213.20 million (31st March, 2022: ₹ 7,299.31 million) subsidy receivable from Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 9.4: Trade receivable ageing schedule

As at 31st March, 2023

		Outstanding for following periods from date of transaction						
		Unbilled dues	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	5,062.84	6,634.48	1,516.57	16.34	-	-	13,230.23
(ii)	Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
		5,062.84	**6,634.48**	**1,516.57**	**16.34**	**-**	**-**	**13,230.23**

Note: There are no trade receivables which are not due as at 31st March, 2023

As at 31st March, 2022

		Outstanding for following periods from date of transaction						
		Unbilled dues	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - considered good	2,057.99	5,231.21	10.11	-	-	-	7,299.31
(ii)	Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
		2,057.99	**5,231.21**	**10.11**	**-**	**-**	**-**	**7,299.31**

Note: There are no trade receivables which are not due as at 31st March, 2022

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 10. Cash and cash equivalents

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- In current accounts	1,930.59	2,317.91
- In deposits accounts with original maturity of upto 3 months	3,308.27	602.66
Cash on hand	0.01	0.01
Total Cash and cash equivalents	**5,238.87**	**2,920.58**

Note 10.1: There are no repatriation restrictions with regards to cash and cash equivalent as at the end of the respective reporting periods.

Note 11. Bank balances other than cash and cash equivalents

	As at 31st March, 2023	As at 31st March, 2022
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	-	2,000.00
Earmarked balances with banks for:		
Deposits with original maturity of more than 3 months and remaining maturity less than 12 months ^	3,143.35	2,065.59
Total bank balances other than cash and cash equivalents	**3,143.35**	**4,065.59**

^ Held as margin money/ security against borrowings and/ or guarantees issued by banks on behalf of the Company

Note 12. Loans

	As at 31st March, 2023	As at 31st March, 2022
Current		
Inter corporate deposits	615.00	800.00
Total current loans	**615.00**	**800.00**
Break-up of security details		
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	615.00	800.00
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	-	-
	615.00	**800.00**

Note 12.1: Disclosures under section 186(4) of the Companies Act, 2013

	As at 31st March, 2023	As at 31st March, 2022
(a) Details of loan given by the Company are as follows:		
Logan Advisors Private Limited [Refer note (i) below]	850.00	800.00
Edwell Infrastructure Hazira Limited [Refer note (ii) below]	7,750.00	
(b) Details of guarantees given by the Company	-	-
(c) Details of securities given by the Company	-	-

Notes:

(i) Loan (Inter corporate deposit) given to Logan Advisors Private Limited for general corporate purposes carries an interest rate of 13% p.a. and as per the oringinal terms was repayable in 30 days. However, during the current year, the Company has renewed/ extended the tenure of the loan from time to time.

(ii) Loan (Inter corporate deposit) given to Edwell Infrastructure Hazira Limited for its operations/ service obligations carried an interest rate of 12% p.a. and was repayable in 180 days. The total inter-corporate deposit has been fully repaid before 31st March, 2023.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 13. Equity Share capital

	As at 31st March, 2023	As at 31st March, 2022
Authorized equity share capital		
8,500,000,000 Equity shares of ₹ 10 each [Refer note 13(g)]	85,000.00	85,000.00
(31st March, 2022: 8,500,000,000 Equity shares of ₹ 10 each)		
Issued, subscribed and fully paid-up equity share capital		
1,965,460,337 Equity shares of ₹ 10 each	**19,654.60**	**19,654.60**
(31st March, 2022: 1,965,460,337 Equity shares of ₹ 10 each)		

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ million
Equity share of ₹10 each issued, subscribed and paid		
As at 1st April, 2021	1,96,54,60,336	19,654.60
Issued during the year [Refer note 13(h)]	1	0.00^
As at 31st March, 2022	**1,96,54,60,337**	**19,654.60**
Issued during the year	-	-
As at 31st March, 2023	**1,96,54,60,337**	**19,654.60**

^ represents amount less than ₹ 10,000

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company (directly/ indirectly)

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid				
India Agri Holdings Limited ('IAHL') [Holding Company]	1,00,88,87,054	51.33%	1,00,88,87,054	51.33%
Matix Fertilisers Holdings Limited ('MFHL')	83,65,23,282	42.56%	83,65,23,282	42.56%
NSK Holdings Private Limited ('NHPL')	12,00,00,000	6.11%	12,00,00,000	6.11%

(d) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid				
India Agri Holdings Limited	1,00,88,87,054	51.33%	1,00,88,87,054	51.33%
Matix Fertilisers Holdings Limited	83,65,23,282	42.56%	83,65,23,282	42.56%
NSK Holdings Private Limited	12,00,00,000	6.11%	12,00,00,000	6.11%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(e) Shareholding of promoters:

As at 31st March, 2023

Name of the promoters	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
India Agri Holdings Limited	1,00,88,87,054	51.33%	1,00,88,87,054	51.33%	-
Matix Fertilisers Holdings Limited	83,65,23,282	42.56%	83,65,23,282	42.56%	-
NSK Holdings Private Limited	12,00,00,000	6.11%	12,00,00,000	6.11%	-
Yogendra S. Kanodia	37,970	0% ^	-	0% ^	-100.00%
Rashmi Y. Kanodia	12,000	0% ^	49,970	0% ^	316.42

As on 31st March, 2022

Name of the promoters	No. of shares at the beginning of the year	% held	No. of shares at the end of the year	% held	% change during the year
India Agri Holdings Limited	1,00,88,87,054	51.33%	1,00,88,87,054	51.33%	-
Matix Fertilisers Holdings Limited	83,65,23,282	42.56%	83,65,23,282	42.56%	-
NSK Holdings Private Limited	12,00,00,000	6.11%	12,00,00,000	6.11%	-
Yogendra S. Kanodia	37,970	0% ^	37,970	0% ^	-
Rashmi Y. Kanodia	12,000	0% ^	12,000	0% ^	-

^ represents shareholding less than 0.01%

(f) Bonus shares/ buy back/ shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - **Nil**

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **Nil**

(iii) Aggregate number and class of shares bought back - **Nil**

(g) Pursuant to the resolution passed by the Board of Directors of the Company on 26th June, 2021 and approval of the members at the Extra-Ordinary General Meeting of the Company held on 1st July, 2021, the authorised equity share capital of Company increased from 3,500,000,000 Equity Shares of nominal face value of ₹ 10 each to 8,500,000,000 Equity Shares of nominal face value of ₹ 10 each.

(h) Pursuant to the resolution passed by the Board of Directors of the Company on 26th June, 2021 and approval of the members at the Extra-Ordinary General Meeting of the Company held on 1st July, 2021, the Company issued one (1) equity share of ₹ 10 each to Vistra ITCL (India) Limited for a total consideration of ₹ 10.

Note 13A: Other Equity

	As at 31st March, 2023	As at 31st March, 2022
Reserve and Surplus		
- Retained earnings	(8,261.59)	(8,677.10)
	(8,261.59)	**(8,677.10)**

Nature and purpose of reserves:

Retained Earnings:

Retained earnings represents the profits/ losses that the Company has earned/ incurred till date including gain/ loss on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves, etc.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 14. Borrowings

		As at 31st March, 2023	As at 31st March, 2022
I)	**Non-current borrowings**		
	Secured loans		
	Term Loans (Refer notes 14 and 14.2)		
	External commercial borrowings:		
	- from banks	37,243.50	34,339.92
	- from related party (Refer note 34)	11,626.29	18,004.18
	Unsecured Loan		
	Cumulative Redeemable Preference Shares (Refer note 14.4)	2,500.00	2,500.00
	Inter corporate deposits from related parties (Refer note 34)	652.80	1,314.30
		52,022.59	**56,158.40**
	Less: Current maturities of long-term borrowings	(14,290.57)	(9,071.32)
	Total non-current borrowings	**37,732.02**	**47,087.08**
II)	**Current borrowings**		
	Secured		
	Current maturities of long-term borrowings		
	External commercial borrowings:		
	- from banks	11,790.57	4,734.89
	- from related party (Refer note 34)	-	1,836.43
	Unsecured:		
	Current maturities of long-term borrowings		
	Cumulative Redeemable Preference Shares (Refer note 14.4)	2,500.00	2,500.00
	Total current borrowings	**14,290.57**	**9,071.32**
	Total borrowings (including current maturities of long-term borrowings) (I+II)	**52,022.59**	**56,158.40**

Note 14.1 Terms of repayment:

(a) External commercial borrowings from banks aggregating ₹ 24,665.07 million (USD 300 million) [31st March, 2022: ₹ 22,742.13 million (USD 300 million)] was repayable in 9 structured half yearly instalments from 30th June, 2022. These loan carry interest based on LIBOR plus a spread and the interest rates are ranging from 5.02% to 9.60% (31st March, 2022: 4.65% to 5.02%). Also refer notes 14.2 and 14.3 below.

(b) External commercial borrowings from banks aggregating ₹ 12,578.43 million (USD 152.99 million) [31st March, 2022: ₹ 11,597.79 million (USD 152.99 million)] was repayable in 13 structured half yearly instalments from 31st July, 2022. These loan carry interest based on LIBOR plus a spread and the interest rates are ranging from 5.02% to 9.60% (31st March, 2022: 4.65% to 5.02%). Also refer notes 14.2 and 14.3 below.

(c) External commercial borrowings ('ECB') from related party aggregating ₹11,626.29 million (USD 141.41 million) [31st March, 2022: ₹ 18,002.18 million (USD 237.50 million)] was originally repayable in 41 structured half yearly instalments from 31st July, 2022. During the current year, the Company has made a partial repayment of the ECB and the balance outstanding amount is repayable only in July 2039. These loan carry interest based on LIBOR plus a spread and the interest rates are ranging from 5.02% to 9.60% (31st March, 2022: 4.65% to 5.02%). Also refer note 14.2 below.

(d) Inter corporate deposits from related parties aggregating ₹ 652.80 million (31st March, 2022: ₹ 1,314.30 million) are subordinated to the ECB facilities availed from bank and related party and the subordination period extends till the discharge of ECB facility. However, during the current year the Company has made a partial repayment of the loan aggregating ₹ 661.50

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

million. These loans carry an interest rates of 6.25% (31st March, 2022: 6.25% to 12%). However, during the current year interest on inter corporate deposits aggregating ₹ 43.76 million (31st March, 2022: ₹ 106.06 million) has been waived off by the lender.

(e) During the current year, the Company issued non-convertible debentures aggregating ₹ 6,500 million. The non-convertible debentures were redeemable in 370 days from the date of allotment or further period as may be mutually agreed. These non-convertible debentures carried an interest rate of 2.25% per month. However, the Company has repaid the entire amount of non-convertible debentures along with interest thereon before 31st March, 2023. The proceeds from non-convertible debentures were to be used for repayment of existing debt and release and discharge of existing encumbrance and/ or general corporate purposes. However, funds which were not required for immediate utilisation were placed as inter corporate deposits based on intimation to the lead debenture holder."

Note 14.2: Details of Security:

The secured borrowings stated above together with all interest, additional interest, further interest, liquidated damages, premium on prepayment, remuneration payable to the Security Trustee, all costs, charges and expenses, and all other present and future obligations and liabilities of the Company under the Finance Documents are secured by-

(a) A first ranking exclusive charge over all rights, title, interest, benefits, claims and demands, in, to, or in respect of, the account maintained by the Company where proceeds of the ECB facility will be deposited and all amounts lying to the credit thereof from time to time;

(b) All immovable assets of the Company (other than as identified by finance parties) together with all buildings, erections and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected and standing or attached to the aforesaid lands and premises or any part thereof and all rights to use common areas and facilities and incidentals attached thereto, together with all trees, fences, hedges, ditches, ways, sewers, drains, waters, watercourses, liberties, privileges, easements and appurtenances whatsoever to the said lands, hereditaments or premises or any part thereof, whether presently in existence or in the future belonging to, or in anyway, appurtenant thereto;

(c) All rights, title and interest benefits, claims and demand on all rights and property of the Company under any and all agreements, documents, licenses and permissions in relation to the plant (as defined in security documents) and the plant assets (as defined in security documents), including but not limited to the following:

- all the material Contracts (as defined in security documents), documents, agreements entered in relation to the plant and the plant assets, as may be amended, varied, modified or supplemented from time to time;
- all material licenses (as defined in security documents), clearances, approvals, sanctions and licenses relating to the plant and the plant assets;
- all letters of credit, guarantees including contractors' guarantees, liquidated damages and performance bonds provided by any party to the documents in relation to the plant and the plant assets; and
- insurance contracts and insurance proceeds received or receivable by the Company.

(d) All movable fixed assets (both present and future) including but not limited to plant and machinery, whether affixed to the earth or not, and in particular, all electrical systems, hardware, computer software, wiring, pipelines, tanks, electronics spares, machinery spares, tools, furniture, fixtures, implements, fittings, meters, motor vehicles, accessories, tanks, coolers, plants, pumps, transformers, furnace, filters, turbines, generators, power lines, power cables, conveyer and further including those fixed assets of the Company which are being utilised for the plant and the plant assets;

(e) All the current assets of the Company (both present and future) including the stocks of raw materials, semi-finished and finished goods, inventories, consumable stores and receivables which shall include the receivables (including receivables from plant and the plant assets), bank accounts, cash flows, book debts, revenues, commissions and outstanding moneys receivable, claims and bills;

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(f) All intangible assets of the Company including but not limited to goodwill, undertaking, uncalled capital, trademarks, intellectual property rights, patents both present and future;

(g) Security over the Inter corporate deposits payable to NHPL together with all related rights, benefits and interests.

(h) An irrevocable and unconditional personal guarantee of Mr. Nishant Y. Kanodia, Director and Chairman;

(i) Pledge of equity shares held by MFHL, IAHL and NHPL aggregating 100% (One hundred percent) of the paid up and voting equity share capital of the Company;

(j) Corporate Guarantees of the IAHL, MFHL and NHPL.

Note 14.3 Default in repayment of Borrowings :

As at 31st March, 2023, the Company has over due amount of borrowings including interest thereon, as stated below:

Category	Period	Principal^	Interest accrued and due^
Term loans from banks - External commercial borrowings	0-180 days	3,153.08	1,722.76
	181-365 days	1,982.16	1,051.61
	Total	**5,135.24**	**2,774.37**

^ Represents amount due as per repayment schedule.

Note:

i. Due to certain restrictions imposed on the lender and non availability of payment mechanism, the Company is unable to remit the amounts due under the facilities to any account of the lender in the currency in which such payments are denominated resulting in the aforementioned default in repayment of dues to lender.

ii. There were no default in repayment of borrowings as at 31st March, 2022.

Note 14.4 Cumulative Redeemable Preference Shares

(a) Authorized preference share capital

	As at 31st March, 2023	As at 31st March, 2022
1,400,000,000 preference shares of ₹ 10 each	**14,000.00**	14,000.00
(31st March, 2022: 1,400,000,000 preference shares of ₹ 10 each)		

(b) Reconciliation of the Preference shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2023		As at 31st March, 2022	
	No.	Amount	No.	Amount
At the beginning of the year	25,00,00,000	2,500.00	25,00,00,000	2,500.00
Add: issued during the year	-	-	-	-
Outstanding at the end of the year	25,00,00,000	2,500.00	25,00,00,000	2,500.00

(c) Terms/ rights attached to preference shares:

On 25th August, 2015, the Company issued 250,000,000 8% Cumulative Redeemable Preference Share ('CRPS') of ₹ 10 each fully paid-up. These CRPS were redeemable at par at the end of 3 years from the date of issue and carried cumulative dividend @ 8% p.a. However, the Company at its sole discretion could redeem CRPS at any time within 3 years from the date of issue. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of CRPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CRPS. In the event of liquidation of the Company before redemption of CRPS, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(d) Details of shareholders holding more than 5% shares in the Company- Preference Shares

	As at 31st March, 2023		As at 31st March, 2022	
	No.	% holding	No.	% holding
8% Cumulative redeemable Preference shares of ₹ 10 each fully paid				
EPC Constructions India Limited	25,00,00,000	100.00%	25,00,00,000	100.00%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

During the year ended 31st March, 2019, the 3 years term expired and the CRPS became redeemable. In accordance with Companies Act, 2013 ('the Act'), in the absence of profits in earlier years and in view of accumulated losses, the Company had no requirement to redeem the CRPS and declare any dividend on the above CRPS.

The Company during earlier years received a claim from the Liquidator of its preference shareholder in relation to redemption of CRPS and cumulative dividend thereon amounting to ₹ 2,500 million and ₹ 600 million, respectively. During the current year, Liquidator has initiated Corporate Insolvency Restructuring Process ('CIRP') under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') against the Company with respect to the redemption amount of CRPS aggregating ₹ 3,100 million. The Hon'ble National Company Law Tribunal, Kolkata ('NCLT') has heard the arguments of the case. The Company has been legally advised that the application for CIRP under section 7 of IBC is not maintainable and statutory grounds for admission of such petition will not be met. The Company continues to account the total liability of ₹ 3,100 million. Pending the outcome of the proceeding before NCLT, no adjustment has been made to the financial statements as at 31st March, 2023.

Note 14.5: Net debt reconciliation

An analysis of net debt and the movement in net debt for the years ended 31st March, 2023 and 31st March, 2022 is as follows:

	As at 31st March, 2023	As at 31st March, 2022
(A) Non-current borrowings	37,732.02	47,087.08
(B) Current borrowings	14,290.57	9,071.32
(C) Interest payable	6,790.92	3,576.02
(D) Cash and cash equivalents	(5,238.87)	(2,920.58)
Net debt (E) = (A+B+C+D)	**53,574.65**	**56,813.84**

	Liabilities from financing activities			Other assets	Total
	Non-current borrowings (A)	Current borrowings (B)	Interest payable (C)	Cash and cash equivalents (D)	(E)=(A+B+C+D)
Net debt as at 1st April, 2021	**-**	**49,447.26**	**2,477.71**	**(25.90)**	**51,899.07**
Net increase in cash and cash equivalents	-	-	-	(2,894.68)	(2,894.68)
Proceeds from borrowings	33,843.75	6,661.33	-	-	40,505.08
Repayment of borrowings	(732.91)	(24,451.90)	-	-	(25,184.81)
Exchange loss on foreign currency translation/ payment (net)	1,196.78	-	56.76	-	1,253.54

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

	Liabilities from financing activities			Other assets	Total
	Non-current borrowings (A)	Current borrowings (B)	Interest payable (C)	Cash and cash equivalents (D)	(E)=(A+B+C+D)
(Gain)/ loss on debt restructuring (Refer note 28)	-	(9,805.91)	612.44	-	(9,193.47)
Adjustment ^	12,779.46	(12,779.46)	-	-	-
Interest expense	-	-	1,800.08	-	1,800.08
Interest paid	-	-	(1,370.97)	-	(1,370.97)
Net debt as at 31st March, 2022	**47,087.08**	**9,071.32**	**3,576.02**	**(2,920.58)**	**56,813.84**
Net increase in cash and cash equivalents	-	-	-	(2,318.29)	(2,318.29)
Proceeds from non-current borrowings	6,500.00	-	-	-	6,500.00
Repayment of current borrowings	-	(1,933.88)	-	-	(1,933.88)
Repayment of non-current borrowings	(13,039.92)	-	-	-	(13,039.92)
Reclassification based on maturity	(6,611.38)	6,611.38			-
Interest expense	-	-	4,932.66	-	4,932.66
Interest paid	-	-	(2,051.24)	-	(2,051.24)
Exchange loss on foreign currency translation/ payment (net)	3,796.24	541.75	333.49	-	4,671.48
Net debt as at 31st March, 2023	**37,732.02**	**14,290.57**	**6,790.92**	**(5,238.87)**	**53,574.64**

^ During the year ended 31st March, 2022, ECB's aggregating ₹ 11,245.66 million (USD 152.99 million) and Inter corporate deposits from related parties aggregating ₹ 1,533.80 million have been reclassified as non-current based on the revised terms of repayment.

Note 14.6: Disclosures pursuant to the requirement as specified under Paragraph 6(L)(ix)(a) and (b) of the General Instructions for preparation of Balance Sheet of Schedule III to the Act:

Year ended 31st March, 2023

Name of Bank	Quarter Ended	Particulars	Amount reported in the quarterly return/ statement	As per books	Difference	Reason for material variances
VTB Bank (PJSC – Public Joint Stock Company)	31st March, 2023	Inventories	1,871.95	1,891.33	(19.38)	Difference is on account of submissions of quarterly statements being made before financial reporting closure process.
		Trade receivables	13,511.61	13,230.23	281.38	
		Cash and cash equivalents including balances with banks	8,382.22	8,382.22	-	
		Loans	615.00	615.00	-	
		Other financial assets	113.97	104.30	9.67	
		Other current assets	341.09	339.37	1.72	

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Year ended 31st March, 2022

Name of Bank	Quarter Ended	Particulars	Amount reported in the quarterly return/ statement	As per books	Difference	Reason for material variances
VTB Bank (PJSC – Public Joint Stock Company)	31st December, 2021	Inventories	1,077.27	1,087.70	(10.43)	
		Trade receivables	7,689.73	7,702.04	(12.31)	
		Cash and cash equivalents including balances with banks	3,847.50	3,769.92	77.58	
		Loans	5.14	2.05	3.09	Difference is on account of submissions of quarterly statements being made before financial reporting closure process and includes difference arising on account of reclassification between non-current and current.
		Other financial assets	41.98	805.09	(763.11)	
		Other current assets	60.39	128.94	(68.55)	
VTB Bank (PJSC – Public Joint Stock Company)	31st March, 2022	Inventories	996.11	967.62	28.49	
		Trade receivables	7,299.31	7,299.31	-	
		Cash and cash equivalents including balances with banks	4,927.99	6,986.17	(2,058.18)	
		Loans	-	800.00	(800.00)	
		Other financial assets	77.46	67.00	10.46	
		Other current assets	68.67	307.66	(238.99)	

Note: Pursuant to the terms of the sanction letter with the respective banks and financial institutions, the Company was not required to file any quarterly return or statement with such banks or financial institutions until June 2021. The Company is required to submit quarterly manangement accounts to VTB Bank (PJSC – Public Joint Stock Company) from quarter ended 30th September, 2021 onwards.

Note 15. Provisions

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Provision for employee benefits (Refer note 33)		
- Gratuity	-	0.13
- Compensated absences	-	-
Total non-current provisions	**-**	**0.13**
Current		
Provision for employee benefits (Refer note 33)		
- Gratuity	19.98	17.31
- Compensated absences	28.31	28.84
Total current provisions	**48.29**	**46.15**
Total provisions	**48.29**	**46.28**

Note 16. Trade payables

	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro and small enterprises (Refer note 16.3)	58.59	18.08
Total outstanding dues of creditors other than micro and small enterprises		
- to related parties (Refer note 34)	0.06	0.25
- to others	8,778.47	3,362.19
Total trade payables	**8,837.12**	**3,380.52**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 16.1: Trade payable ageing schedule

As at 31st March, 2023

Particulars	Outstanding from following period from the date of transaction					
	Unbilled Dues	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	54.08	3.14	0.20	1.17	58.59
(ii) Others	6,716.58	948.72	6.50	1.18	14.04	7,687.02
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	741.91	-	-	349.60	1,091.51
	6,716.58	**1,744.71**	**9.64**	**1.38**	**364.81**	**8,837.12**

As at 31st March, 2022

Particulars	Outstanding from following period from the date of transaction					
	Unbilled Dues	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	18.08	-	-	-	18.08
(ii) Others	401.05	1,741.48	3.05	3.84	18.37	2,167.79
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	845.05	-	-	349.60	1,194.65
	401.05	**2,604.61**	**3.05**	**3.84**	**367.97**	**3,380.52**

Note 16.2 Trade payables are non interest bearing and are normally settled as per payment terms stated in the contract.

Note 16.3 The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

		As at 31st March, 2023	As at 31st March, 2022
a)	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
	- Principal amount due to micro and small enterprises	58.59	18.08
	- Interest due	0.13	0.17
b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006.	0.13	0.17
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.13	0.17
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.30	0.17

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 17. Other financial liabilities

	As at 31st March, 2023	As at 31st March, 2022
Non-current		
Interest accrued but not due	2,933.17	2,976.58
Total other non-financial liabilities	**2,933.17**	**2,976.58**
Current		
Interest accrued and due	2,793.53	0.17
Interest accrued but not due (Refer note 34)	1,064.22	599.27
Liability towards redeemable preference shares (Refer note 14.4)	600.00	600.00
Others		
- Liability for capital expenditure	734.08	843.29
- Security deposit from dealers	216.54	84.85
- Due to employees	18.72	5.37
Total other current financial liabilities	**5,427.09**	**2,132.95**
Total other financial liabilities	**8,360.26**	**5,109.53**

Note 18. Other current liabilities

	As at 31st March, 2023	As at 31st March, 2022
Advance from customers	236.05	260.79
Statutory dues payable	60.01	27.18
Total other current liabilities	**296.06**	**287.97**

Note 19. Revenue from Operations

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Sale of Products		
- Finished goods	54,993.13	23,742.23
[Including ₹ 49,515.05 million (31st March, 2022: ₹ 20,503.85 million) subsidy on fertilisers]		
- Semi finished goods	1,090.65	591.60
- Sale of traded products	1,019.52	-
(b) Other operating revenues		
- Scrap sales	2.51	4.52
- Provision no longer required written back (Refer note 32)	103.14	-
Total revenue from operations (a+b)	**57,208.95**	**24,338.35**

(a) Information of disaggregated revenue as per Ind AS 115 Revenue from contracts with customers

The Company's entire business falls under one operational segment of 'Manufacture and sale of Fertilisers', wherein the performance obligation is satisfied "at a point in time".

Further, the management believes that the nature, amount, timing and uncertainty of revenue and cash flows from all its contracts are similar. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(b) Unsatisfied performance obligations

Revenue is recognized upon transfer of control of products or services to customers. The Company does not have unsatisfied performance obligation as at 31st March, 2023 (31st March, 2022: Nil).

(c) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Note:

(i) As at 31st March, 2023, on quantity of 108,609 MT (31st March, 2022: 62,034 MT) of Urea, subsidy amounting ₹ 5,062.84 million (31st March, 2022: ₹ 2,057.99 million) has been recognised as such quantity has been sold to dealers but the payment of the same will become due only on actual sale by the retailers through point of sale machines.

Note 20. Other Income

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Interest income		
- on bank deposits	352.75	117.90
- on financial assets at amortised cost	2.07	1.95
- on inter corporate deposits	365.35	-
	720.17	**119.85**
(b) Other non-operating income		
- Exchange gain (net)	12.40	-
- Gain on lease cancellation	0.06	6.17
- Miscellaneous income	0.76	0.13
	13.22	**6.30**
Total other income (a+b)	**733.39**	**126.15**

Note 21. Cost of materials consumed

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Stock at beginning of the year	-	-
(b) Add: Purchases	25,984.06	10,916.12
(c) Less: Stock at the end of the year	-	-
Total cost of materials consumed (a+b-c)	**25,984.06**	**10,916.12**

Note 22. Changes in Inventories of finished goods and work-in-progress

	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Opening stock		
- Finished goods	347.33	0.10
- Work-in-progress	168.21	7.74
	515.54	**7.84**
(b) Closing stock		
- Finished goods	772.34	347.33
- Work-in-progress	297.46	168.21
	1,069.80	**515.54**
Total changes in inventories of finished goods and work-in-progress (a-b)	**(554.26)**	**(507.70)**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 23. Power, fuel and water

	Year ended 31st March, 2023	Year ended 31st March, 2022
Fuel-Gas	14,383.79	7,450.61
Water	79.96	60.39
Electricity	262.84	122.81
Total power, fuel and water expenses	**14,726.59**	**7,633.81**

Note 24. Employee benefits expense

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salary, wages and bonus	694.29	590.96
Contribution to provident and other funds [Refer note 33(B)]	28.70	23.32
Gratuity [Refer note 33(A)]	7.13	4.80
Total employee benefits expense	**730.12**	**619.08**

Note 25. Other expenses

	Year ended 31st March, 2023	Year ended 31st March, 2022
Stores and spares consumed	528.78	169.20
Consumption of Packing Materials	437.15	285.07
Freight and handling charges	1,294.29	725.79
Sales and marketing expenses	7.21	8.04
Repairs and maintenance: (Refer note 25.2)		
- Plant and Machinery	373.48	128.75
- Others	24.48	13.30
Security and upkeep expenses	32.15	25.20
Office expenses	19.09	12.06
Legal and professional fees (Refer note 34)	228.65	251.84
Rent expenses (Refer note 36)	16.91	10.73
Travel expenses	53.31	25.39
Communication expenses	27.29	18.44
Insurance	93.68	55.11
Loss on disposal of tangible and intangible assets (net) (Refer note 25.2)	209.00	10.59
Payment to auditor (Refer note 25.1)	5.95	5.67
Corporate social responsibility expenses (Refer note 37)	4.61	-
Director's sitting fees	1.22	2.89
Rates and taxes	18.43	28.68
Miscellaneous expenses	85.92	32.45
Total other expenses	**3,461.60**	**1,809.20**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 25.1 Payments to auditor

	Year ended 31st March, 2023	Year ended 31st March, 2022
- For statutory audit	4.60	4.40
- For other services (including certification)	1.27	1.19
- For reimbursement of expenses	0.08	0.08
	5.95	**5.67**

Note 25.2 The Company's operations were impacted on account of a plant breakdown between 28th October, 2022 to 10th January, 2023 requiring replacement of critical spares and major repair and maintenance of the plant. Consequently, the loss on disposal of tangible/ intangible assets and repairs and maintenance expenses during the current year are higher.

Note 26. Finance costs

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest:		
- on term loans	4,261.76	1,715.21
- on Inter corporate deposits	12.05	64.98
- on non-convertible debentures [Refer note 14.1(e)]	638.85	-
- on lease liabilities (Refer note 36)	6.86	7.99
- on others	13.14	19.89
Exchange difference regarded as an adjustment to borrowing costs	-	1,253.54
Other borrowing costs	21.43	171.13
Total finance cost	**4,954.09**	**3,232.74**

Note 27. Depreciation and amortisation expense

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on tangible assets (Refer note 3A)	2,504.94	2,535.29
Depreciation on right to use assets (Refer note 3B)	20.54	27.24
Amortisation of intangible assets (Refer note 3C)	0.63	1.22
Total depreciation and amortisation expense	**2,526.11**	**2,563.75**

Note 28. Exceptional Items

	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Gain on debt restructuring (net) [Refer note (i) below]	-	9,193.47
b) Plant recommissioning cost [Refer note (ii) below]	-	(1,762.67)
c) Exchange difference regarded as an adjustment to borrowing costs [Refer note (iii) below]	(4,671.48)	-
Total exceptional gain (net)	**(4,671.48)**	**7,430.80**

Notes:

(i) During the previous year, the Company entered into a One-Time Settlement agreement ('OTS') with lenders pursuant to which the Rupee Term Loan lenders were settled at 70.68% of the total principal outstanding as at 1st October, 2017 and also interest w.e.f. 1st October, 2017 was no longer payable. The resultant net gain of ₹ 9,193.47 million was recognised and presented as an exceptional item.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(ii) Expenses aggrgating ₹ 1,762.67 million incurred with respect to the plant re-commissioning including trial production of Ammonia and Urea during the previous year were presented as an exceptional item.

(iii) Due to global economic unrest on account of ongoing Russia - Ukraine crisis there has been an exceptional movement in exchange rates resulting into a cosmic depreciation of Indian rupees as compared to US dollars which has consequently resulted in an exchange loss of ₹ 4,671.48 million (31st March, 2022: ₹ 1,253.54 million) on external commercial borrowings denominated in US dollars. In view of the exceptional movement of exchange rates and the material impact thereof on the current year financial statements, the exchange loss has been presented as an exceptional item.

Note 29. Earnings per share (EPS)

Basic and diluted EPS

		Year ended 31st March, 2023	Year ended 31st March, 2022
A.	Profit computation for basic earnings per share of ₹ 10 each		
	Net profit as per statement of profit and loss available for equity shareholders (in ₹ million)	418.61	9,889.11
B.	Weighted average number of equity shares for EPS computation (Nos.)	1,96,54,60,337	1,96,54,60,337
C.	Earnings per share		
	- Basic EPS (in ₹)	0.21	5.03
	- Diluted EPS (in ₹)	0.21	5.03

Note 30. Contingent liabilities and commitments

		As at 31st March, 2023	As at 31st March, 2022
a.	**Contingent liabilities**		
	(i) Claims against the Company not acknowledged as debt	2,531.50	2,544.06

b. Commitments

Estimated value of contracts remaining to be executed and not provided for excluding applicable taxes ₹ 29.14 million (31st March, 2022: ₹ 82.90 million).

Note 31. Contingent Liability – Income Tax Assessment

On 30th September, 2021, the income assessment for multiple years was completed and the assessment orders were issued resulting in addition to taxable income aggregating ₹ 9,255.47 million and reduction of the capital work-in-progress/ property plant and equipment aggregating ₹ 10,478.53 million, and a resultant tax demands aggregating ₹ 2,878.37 million. The Company had preferred appeal in respect of the above assessment orders before Commissioner of Income Tax, Appeals ('CIT-Appeal').

During the current year, CIT-Appeal vide order dated 28th March, 2023 has rejected additions made to taxable income aggregating ₹ 8,796.67 million and reduction in capital work-in-progress/ property plant and equipment aggregating ₹ 9,304.29 million. Further, the tax demands aggregating ₹ 2,878.37 million have also been rescinded. The Company has also preferred an appeal with the Income Tax Appellate Tribunal, Mumbai ('ITAT') in respect of the balance additions to total income aggregating ₹ 458.80 million and reduction to capital work-in-progress/ property plant and equipment aggregating ₹ 1,171.24 million.

The Company has been legally advised that there are case laws and strong arguments available with the Company in respect of matters for which appeal has been filed before ITAT and consequently these have been considered as contingent liability as at 31st March, 2023 and no adjustment has been recorded in respect of these matters in these financial statements.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 32. During earlier years, the Company had initiated arbitration proceedings under Arbitration and Conciliation (Amendment) Act, 2015 against one of its suppliers for recovery of the security deposits and for recovery of damages/ losses caused due to the party's non-performance of the contractual obligations. The supplier had also filed counter claims against the Company. On 25th August, 2022, the arbitration proceedings have been concluded with award on 2:1 basis in favour of the supplier. Subsequent to the year ended 31st March, 2023, the Company has received the rectification order pursuant to which net liability has been reduced by an amount of ₹ 103.14 million and accordingly the same has been written back during the current year. The Company is in the process of filing the appeal against the order under Hon'ble Delhi High Court. Further, on basis of independent legal advice, Management believes that it has a good case on merits and that the total outflow, if any, will not exceed the total liability already accounted.

Note 33. Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(A Defined benefits obligation - Gratuity

The Company has a funded defined benefit Gratuity plan wherein every employee who has completed five years or more of service is entitled to gratuity on departure equivalent to fifteen days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The employees of the Company are also entitled to leave encashment as per the Company's Policy.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting Standard	Ind AS 19	Ind AS 19
Funding Status	Funded	Funded
Starting period	01-Apr-22	01-Apr-21
Date of reporting	31-Mar-23	31-Mar-22
Period of reporting	12 Months	12 Months
The principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:		
Expected return on plan asset	7.31%	6.09%
Rate of discounting	7.31%	6.09%
Rate of salary increase	10%	10%
Rate of employee turnover	20%	20%
Mortality rate during employment	Indian Assured Live Mortality (2012-14) Urban	Indian Assured Live Mortality (2012-14) Urban

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(a) Change in present value of projected benefit obligation

	As at 31st March, 2023	As at 31st March, 2022
Present Value of the benefit obligations at the beginning of the year	51.31	36.11
Interest Cost	3.12	2.02
Current Service Cost	6.07	4.13
Benefits Paid from the fund	(11.36)	(1.53)
Remeasurements - Net actuarial (gain)/ loss	4.66	10.58
Present Value of defined benefit obligation at the end of the year	**53.80**	**51.31**

(b) Changes in the fair value of plan assets

	Year ended 31st March, 2023	Year ended 31st March, 2022
Fair value of plan asset at the beginning of the year	33.87	24.22
Interest Income	2.06	1.35
Contributions by employer	8.74	9.21
Benefits paid from the fund	(11.36)	(1.53)
Return on plan assets excluding interest income	0.52	0.62
Closing fair value of plan assets at the end of year	**33.83**	**33.87**

Note: Expected contribution payable to the plan next year is ₹ 20.52 million.

(c) Benefit liability in balance sheet

	Year ended 31st March, 2023	Year ended 31st March, 2022
Present value of benefit obligations at end of the year	(53.80)	(51.31)
Fair value of the plan assets as at the end of the year	33.83	33.87
Net liability recognised in the Balance Sheet	**(19.97)**	**(17.44)**

(d) Net Interest cost for the year

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Cost	3.12	2.02
Interest Income	(2.06)	(1.35)
Net Interest cost for the year	**1.06**	**0.67**

(e) Expenses recognised in the statement of profit and loss

	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Service Cost	6.07	4.13
Net Interest cost	1.06	0.67
Expenses recognised	**7.13**	**4.80**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(f) Expenses recognised in the other comprehensive income (OCI)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Actuarial (Gain)/ Loss on obligation for the year	4.66	10.58
Return on plan asset excluding interest income	(0.52)	(0.62)
Net expense for the year recognised in OCI	**4.14**	**9.96**

(g) Balance Sheet Reconciliation

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening Net Liability	17.44	11.89
Expenses recognised in statement of Profit and loss	7.13	4.80
Loss recognised in OCI	4.14	9.96
Employers contribution	(8.74)	(9.21)
Net Liability recognised in balance sheet	**19.97**	**17.44**

(h) Category of plan assets

	Year ended 31st March, 2023	Year ended 31st March, 2022
Insurance Fund	**33.83**	33.87

(i) Other Details

	Year ended 31st March, 2023	Year ended 31st March, 2022
No. of active members	397	384.00
Per month salary of active member (₹ in million)	20.52	17.32
Weighted average duration of the projected benefit obligation (years)	4	4
Average expected future service (years)	4	4
Project benefit obligation (₹ in million)	53.80	51.31

(j) Maturity Analysis of projected benefit obligation from the fund

	Year ended 31st March, 2023	Year ended 31st March, 2022
Projected benefit payable in future years from the date of reporting		
1st following year	16.94	12.46
2nd following year	8.21	11.88
3rd following year	5.92	7.89
4th following year	6.65	4.51
5th following year	4.69	4.78
Sum of years 6 to 10	17.45	13.54
Sum of Years 11 and above	11.24	8.82

Maturity analysis of projected benefit obligation is done considering future salary, attrition and death in respective year of number as mentioned above

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(k) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate, salary escalation rate and attrition rate.

		1% increase	
i.	Discount rate	(1.57)	(1.48)
ii.	Salary escalation rate	1.65	1.54
iii.	Attrition rate	(0.38)	(0.36)

		1% decrease	
i.	Discount rate	1.71	1.61
ii.	Salary escalation rate	(1.55)	(1.44)
iii.	Attrition rate	0.41	0.39

Sensitivities due to mortality and withdrawals are not material and hence the impact of change due to these are not calculated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is exposed to a number of risks, the most significant of which are detailed below:

a) **Salary increases -** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) **Investment risk -** If plan is funded then assets/ liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) **Discount rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(l) Additional Details

Methodology adopted for ALM	**Projected Unit credit method**
Usefulness and methodology adopted for sensitivity analysis	Sensitivity analysis is the analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signify the change in liability if the difference between assumed and the actual is not following the parameter of the sensitivity analysis.
Comment on quality of assets	Since investment is with Insurance Fund, assets are considered to be secured.
Management perspective of future contribution	As per actuarial calculation

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(B) Defined contribution plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employees State Insurance Corporation ('ESIC') (upto 31st March, 2022) administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plans are as follows.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	28.70	23.14
(ii) Contribution to ESIC	-	0.18
	28.70	**23.32**

(C) Liabilities for compensated absences

The compensated absences cover the Company's liability for sick and privilage leaves. The amount of provision with respect to compensated absences is ₹ 28.31 million (31st March, 2022: ₹ 28.84 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leaves or require payment within the next 12 months. The expense recognised during the year towards compensated abences is ₹ 10.84 million (31st March, 2022: ₹ 19.57 million).

(D) Current/ non-current classification

	As at 31st March, 2023	As at 31st March, 2022
Gratuity		
Current	19.98	17.31
Non-current	-	0.13
	19.98	**17.44**
Compensated absences		
Current	28.31	28.84
	28.31	**28.84**

Note 34. Disclosures in accordance with IND AS 24 Related Party Disclosures

A. Name of related parties and nature of relationships

(a) Ultimate Holding Company

Firstland Holding Limited, Mauritius ('FHL')

(b) Holding Company

India Agri Holdings Limited, Mauritius ('IAHL')
Matix Fertilisers Holdings Limited ('MFHL')
NSK Holdings Private Limited ('NHPL')

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(c) Key Management personnel (KMP):

Yogendra S. Kanodia	Chairman and Director (until 30th April, 2022)
Nishant Y. Kanodia ^	Chairman and Director (w.e.f. 1st May, 2022) Vice Chairman and Director (upto 30th April, 2022)
Manoj Mishra	Managing Director
Rajan Thapar	Whole Time Director (appointed w.e.f. 6th February, 2023)
Firdosh M. Debara	Independent Director
Sudha Bhushan	Independent Director
Sandep Kumar Ghosh	Whole Time Director (resigned w.e.f. 30th November, 2021)
Kapil Khandelwal	Whole Time Director (upto 6th December, 2022)
Nikhil Naik	Nominee Director of VTB Bank (PJSC)
Vishnu P. Singhal	Chief Financial Officer
Vishnu R. Murkar	Company Secretary

^ Individuals owning directly or indirectly, an interest in voting power that gives them control or significant influence.

(d) Enterprises commonly controlled or significantly influenced by major shareholders/ directors/ key managerial personnel or their relatives (to the extent transactions have taken place)

Datamatics Business Solutions Limited
Datamatics Business Enablers Private Limited
NSK Holdings Private Limited
Orafin Holdings (Cyprus) Limited

B. Nature of Transactions

	Year ended 31st March, 2023	Year ended 31st March, 2022
Transactions with related parties:		
a) Inter corporate deposit received		
Datamatics Business Solutions Limited	-	67.50
b) Repayment of Inter corporate deposits		
NSK Holdings Private Limited	661.50	260.00
Datamatics Business Enablers Private Limited	-	27.00
c) Legal and professional fees		
Datamatics Business Solutions Limited	0.66	0.67
Nikhil Naik	0.80	0.60
d) Remuneration to key management personnel		
Sandeep Kumar Ghosh	-	6.30
Kapil Khandelwal	10.38	10.21
Manoj Mishra	16.55	8.33
Rajan Thapar	1.15	-
e) Director's sitting fees		
Yogendra S. Kanodia	-	0.20
Nishant Y. Kanodia	0.41	0.72
Firdosh M. Debara	0.38	0.80
Sudha Bhushan	0.38	0.77
Nikhil Naik	0.05	0.40
	1.22	**2.89**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
f)	**Interest expense**		
	NSK Holdings Private Limited	-	-
	Datamatics Business Solutions Limited	12.05	12.97
	Datamatics Business Enablers Private Limited	-	0.75
	Orafin Holdings (Cyprus) Limited	1,186.78	467.22
g)	**Borrowings received**		
	Orafin Holdings (Cyprus) Limited	-	17,606.47
h)	**Repayment of borrowings**		
	Orafin Holdings (Cyprus) Limited	7,812.30	-
i)	**Repayment of interest on borrowings**		
	Orafin Holdings (Cyprus) Limited	1,166.24	318.81

i) Corporate Guarantees have been issued by IAHL, MFHL and NHPL for the External Commercial Borrowings obtained by the Company.

		As at 31st March, 2023	As at 31st March, 2022
Outstanding balances:			
a)	**Amount payable**		
	Nishant Y. Kanodia	-	0.05
	Firdosh M. Debara	-	0.05
	Sudha Bhushan	-	0.05
	Datamatics Business Solutions Limited	0.06	0.10
b)	**Inter corporate deposits received**		
	NSK Holdings Private Limited	460.00	1,121.50
	Datamatics Business Solutions Limited	192.80	192.80
c)	**Borrowings (including exchange fluctuations)**		
	Orafin Holdings (Cyprus) Limited	11,626.29	18,004.18
d)	**Interest accrued on inter corporate deposits received**		
	NSK Holdings Private Limited	-	-
	Datamatics Business Solutions Limited	10.85	8.14
e)	**Interest accrued but not due on borrowings**		
	Orafin Holdings (Cyprus) Limited	182.96	148.41

f) Corporate Guarantees have been issued by IAHL, MFHL and NHPL for the External Commercial Borrowings aggregating ₹ 48,869.79 million (31st March, 2022: 55,344.10 million) obtained by the Company.

Notes:

a. Nishant Y. Kanodia, Director and Chairman of the Company has given an irrevocable and unconditional personal guarantee in respect of loans taken by the Company.

b. Matix Fertilisers Holdings Limited has pledged its equity shares held in the Company aggregating 42.56% (31st March, 2022: 42.56%) of the paid up and voting equity share capital of the Company in favour of lenders.

c. India Agri Holdings Limited has pledged its equity shares held in the Company aggregating 51.33% (31st March, 2022: 51.33%) of the paid up and voting equity share capital of the Company in favour of lenders.

d. NSK Holdings Private Limited has pledged its equity shares held in the Company aggregating 6.11% (31st March, 2022: 6.11%) of the paid up and voting equity share capital of the Company in favour of lenders.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 35. Segment Reporting

The Company is engaged in the business of manufacture and sales of fertilisers. The chief operational decision maker monitors the operating results under single operating segment viz., "manufacture and sale of fertilisers" for the purpose of making decision about profit and loss in the financial statements. As per requirement of Ind AS 108 Operating Segments no disclosure is required as the Company is operating in single segment "manufacture and sale of fertilisers".

Note 36. Leases

Right-of-use Assets:

The net carrying value of right-of-use assets as at 31st March, 2023 amounts to ₹ 916.08 million (31st March, 2022: ₹ 930.74 million) have been disclosed on the face of the balance sheet (Also refer note 3B).

Lease Liabilities:

As at 31st March, 2023, the lease obligations amounting to ₹ 54.68 million (31st March, 2022: ₹ 56.45 million) which have been classified to lease liabilities, under financial liabilities.

	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities	7.16	6.43
Non-current lease liabilities	47.52	50.02
Total Lease liabilities	**54.68**	**56.45**
(i) The following is the movement in lease liabilities for the year ended 31st March, 2023		
Opening Balance	56.45	78.46
Additions during the year	6.94	51.06
Interest on lease liabilities	6.86	7.99
Payment of lease liabilities	(14.45)	(22.56)
Impact of lease cancellation	(1.12)	(58.50)
Closing Balance	**54.68**	**56.45**

(ii) The table below provides details regarding the contractual maturities of lease liabilities (undiscounted):

Lease Liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
31st March, 2023	54.68	156.16	13.22	39.11	103.83
31st March, 2022	56.45	153.41	12.68	46.94	93.79

The Company recognised the following in the statement of profit and loss:

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation expenses on right-of-use assets (Refer notes 3B and 27)	20.54	27.24
Interest on lease liabilities (Refer note 26)	6.86	7.99
Rent expense pertaining to leases with less than 12 months of lease included under other expenses (Refer note 25)	16.91	10.73

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 37. Corporate social responsibility expenses

As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its average net profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Following is the information regarding projects undertaken and expenses incurred on CSR activities.

	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Gross Amount required to be spent by the Company during the year	-	-
B. Amount spent during the year on CSR activities		
a) For construction/ acquisition of any assets	-	-
b) For purpose other than (a) above	4.61	-
	4.61	**-**
Social Support and Infrastructure	4.60	-
CSR administritive overheads	0.01	-
Total	**4.61**	**-**

Note 38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

	As at 31st March, 2023	As at 31st March, 2022
Total debt	52,022.59	56,158.40
Total equity	11,393.01	10,977.50
Total debts to equity ratio (Gearing ratio)	**4.57**	**5.12**

The long-term policy of the Company is to achieve a gearing ratio (total debt divided by total capital) of 2.

Note 39. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes trade receivables, other receivables and cash and cash equivalents that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as commodity risk. Major financial instruments affected by market risk includes loans and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	31st March, 2023		31st March, 2022	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on profit before tax	244.35	(244.35)	261.72	(261.72)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has significantly affected the results of the Company, and may fluctuate substantially in the future.

The long term borrowings of the Company comprises of External Commercial Borrowings availed in US Dollars. Simultaneously, Company's revenue is also linked to US Dollars in terms of New Investment policy 2012. Accordingly, the Company has natural cover against fluctuation of foreign exchange rates and therefore did not enter into transactions to hedge foreign exchange risk in respect of aforesaid foreign currency borrowings.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The following table analysis foreign currency risk from financial instruments as at 31st March, 2023:

₹ equivalent in million

	USD	EUR
Liabilities		
Non current borrowings	37,079.22	-
Current borrowings	11,790.57	-
Trade payables	1.68	21.81
Interest accrued	6,771.64	-
Total	**55,643.11**	**21.81**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

The following table analysis foreign currency risk from financial instruments as at 31st March, 2022:

₹ equivalent in million

	USD	EUR
Liabilities		
Non current borrowings	45,772.78	-
Current borrowings	6,571.32	-
Trade payables	0.97	2.90
Interest accrued	3,575.84	-
Total	**55,920.91**	**2.90**

Sensitivity analysis

Of the above, the Company is mainly exposed to USD. Hence the following table analyses the sensitivity to a 5% increase and a 5% decrease in the exchange rates of USD against INR, with all variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date.

Currencies	Impact on profit before tax for the year ended	
	31st March, 2023	31st March, 2022
USD	2,782.16	2,796.05

(c) Commodity risk

Commodity price risk of the Company arises from the ongoing purchase of natural gas. Natural gas is the major raw material for manufacture of Urea. The prices of Natural Gas are mostly linked to international crude oil prices which varies with the fluctuation in the prices of crude oil, demand supply pattern, etc. The Company is not affected by price volatility of natural gas as the cost of natural gas is considered appropriately in line with the subsidy policies of Government of India for manufacture of Urea. The part of the natural gas quantity required by the Company has also been purchased at fixed price. As per the guidelines for pooling of gas in fertilizer (Urea) sector issued by the Government of India, the natural gas is available to all the Urea manufacturer at uniform price. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas.

(ii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

i. Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year.

ii. Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities:

As at 31st March, 2023

	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	14,290.57	25,334.58	12,397.44	52,022.59
Trade payables	-	8,837.12	-	-	8,837.12
Lease liabilities	-	13.22	39.11	103.83	156.16
Other financial liabilities					
Interest accrued	-	3,857.75	3,453.76	-	7,311.51
Others	-	1,569.34	-	-	1,569.34
	-	**28,568.00**	**28,827.45**	**12,501.27**	**69,896.72**

Note: Refer note 14.3 for details of continuing default as at reporting date.

As at 31st March, 2022

	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	-	9,071.32	37,069.44	10,017.64	56,158.40
Trade payables	-	3,380.52	-	-	3,380.52
Lease liabilities	-	12.68	46.94	93.79	153.41
					-
Other financial liabilities					-
Interest accrued	-	599.43	3,159.88	296.69	4,056.00
Others	-	1,533.51	-	-	1,533.51
	-	**14,597.46**	**40,276.26**	**10,408.12**	**65,281.84**

(iii) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

i. Trade Receivables

The Company's receivables can be classified into two categories i.e. one is from the customers/ dealers in the market and from the Government of India in the form of subsidy. As far as Government portion of receivables isconcerned, credit risk is Nil. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market andpast dealings for extension of credit to customers. The Company monitors the payment track record of the customers and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several states and operate in largely independentmarkets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

ii. Financial assets other than trade receivables

Financial assets other than trade receivables comprise of cash and cash equivalents, bank balances other than cash and cash equivalents and loans. The Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Company's historical experience, the credit risk on the above mentioned financial assets is also assessed to be low.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 40. Financial instruments

The fair value of the financial assets and liabilities are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March, 2023 are as follows:

	Refer Note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value
Assets:					
Trade receivables	9	13,230.23	-	-	13,230.23
Cash and cash equivalents	10	5,238.87	-	-	5,238.87
Bank balances other than cash and cash equivalents	11	3,143.35	-	-	3,143.35
Other financial assets	4	168.20	-	-	168.20
Loans	12	615.00	-	-	615.00
Total financial assets		**22,395.65**	**-**	**-**	**22,395.65**
Liabilities:					
Borrowings	14	52,022.59	-	-	52,022.59
Interest accrued	17	6,790.93	-	-	6,790.93
Trade payables	16	8,837.12	-	-	8,837.12
Other financial liabilities	17	1,569.34	-	-	1,569.34
Total financial liabilities		**69,219.98**	**-**	**-**	**69,219.98**

The carrying value and fair value of financial instruments by categories as at 31st March, 2022 are as follows:

	Refer Note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value
Assets:					
Trade receivables	9	7,299.31	-	-	7,299.31
Cash and cash equivalents	10	2,920.58	-	-	2,920.58
Bank balances other than cash and cash equivalents	11	4,065.59	-	-	4,065.59
Other financial assets	4	1,209.53	-	-	1,209.53
Loans	12	800.00	-	-	800.00
Total financial assets		**16,295.01**	**-**	**-**	**16,295.01**

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

	Refer Note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value
Liabilities:					
Borrowings	14	56,158.40	-	-	56,158.40
Interest accrued	17	3,576.02	-	-	3,576.02
Trade payables	16	3,590.67	-	-	3,590.67
Other financial liabilities	17	1,533.51	-	-	1,533.51
Total financial liabilities		**64,858.60**	**-**	**-**	**64,858.60**

B. Fair value hierarchy

The Company does not have any assets/ liabilities being measured at fair value. Accordingly disclosure with respect to fair value hierarchy has not been provided.

Note 41. The Company had accrued/paid managerial remuneration to Whole Time Director ('WTD') of the Company for the years ended 31st March, 2019, 31st March, 2020, 31st March, 2021 and 31st March, 2022 as detailed below:

Financial Year	Remuneration accrued and paid	Excess remuneration paid held-in-trust
2018-19	10.00	10.00
2019-20	8.30	8.30
2020-21	8.10	8.10
2021-22	6.30	6.30
Total	**32.70**	**32.70**

The aforementioned managerial remuneration was accrued/ paid within the prescribed limit as per Schedule V to the Companies Act, 2013 ('the Act'). However, the requisite prior approval from the lenders of the Company were not been obtained. The Company made an adjudication application under section 454 of the Act with the Ministry of Corporate Affairs, Registrar of Companies, West Bengal ('ROC') for waiver of recovery of excess remuneration paid and regularise violations under section 197(9) and (10) of the Act. Subsequent to the year ended 31st March, 2023, the Company has recieved an adjudication order from ROC dated 6th July, 2023. Pursuant to the above order, the Company has paid the penalty amounting to ₹ 0.50 million and the same has been accounted as an expense in the statement of profit and loss during the current year.

Note 42. Disclosure of ratios

Particulars	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31st March, 2023	As at and for the year ended 31st March, 2022
Current Ratio	Current assets/ Current liabilities	Times	0.85	1.10
Debt Equity Ratio	Debt/ Net worth	Times	4.57	5.12
Debt Service coverage Ratio	EBITDA/ (Finance costs + Principal repayment of long term borrowings within one year)	Times	0.69	0.37
Return on Equity	Profit after tax/ Net worth	Percentage	3.67%	90.09%
Inventory Turnover Ratio	Cost of goods sold/ Average inventory	Times	32.08	39.77

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Particulars	Formula for computation	Measure (In times/ percentage)	As at and for the year ended 31st March, 2023	As at and for the year ended 31st March, 2022
Trade Receivable Turnover Ratio	Revenue from operations/ Average trade receivables	Times	5.57	6.67
Trade Payable Turnover Ratio	Purchases/ Average Trade Payables	Times	1.10	4.11
Net Capital Turnover Ratio	Revenue from operations/ Working capital	Times	-13.17	16.20
Net Profit Ratio	Profit after tax/ Revenue from operations	Percentage	0.73%	40.63%
Return on Capital Employed (ROCE)	EBIT/ Capital employed	Percentage	20.80%	6.28%

1. Debt = Non-current borrowings + Current borrowings
2. Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
3. EBITDA = Earnings before finance costs, depreciation, tax and amortisation expense and exceptional items
4. Cost of goods sold = Cost of materials consumed + Changes in inventories of finished goods and work-in-progress
5. Net purchase = Purchases of raw material (Gas) + Purchases of stock- in- trade
6. Working Capital = Current assets - Current liabilities
7. EBIT = Earnings before finance costs, tax and exceptional items
8. Capital employed = Total equity + Non-current borrowings
9. Revenue from operations = Sales of products (including subsidy income) + Other operating revenues

Particulars	Variance in ratio between 31st March, 2023 and 31st March, 2022	Reason for Variance in excess of 25%
Current Ratio	-22.80%	Refer note below
Debt Equity Ratio	-10.74%	Refer note below
Debt Service coverage Ratio	85.53%	On account of increase in LIBOR and exchange rate.
Return on Equity	-95.92%	On account of exceptional gain in previous year and a increase in finance cost during the current year.
Inventory Turnover Ratio	-19.34%	Refer note below
Trade Receivable Turnover Ratio	-16.41%	Refer note below
Trade Payable Turnover Ratio	-73.28%	Owing to increase in trade payables during the current year.
Net Capital Turnover Ratio	-181.30%	Owing to increase in current liabilities due to higher current maturities of long term debt as at the year end.
Net Profit Ratio	-98.20%	On account of exceptional gain in previous year and a increase in finance cost during the current year.
Return on Capital Employed (ROCE)	230.99%	Owing to increase production and higher EBIT

Note: Since the change in ratio is less than 25%, no explanation is requred to be disclosed.

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the year ended 31st March, 2023

(Amount in ₹ million, unless otherwise stated)

Note 43. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

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

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(xi) The Company is not required to spend amount towards Corporate Social Responsibility expenditure as prescribed under section 135 of the Companies Act, 2013.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/ N500013

Rakesh R Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 4th August, 2023

For and on behalf of the Board of Directors of
Matix Fertilisers and Chemicals Limited

Nishant Y Kanodia
Director and Chairman
DIN : 02009880

Manoj Mishra
Managing Director
DIN : 06408953

Vishnu Singhal
Chief Financial Officer

Vishnu Murkar
Company Secretary

Place: Mumbai
Date: 4th August, 2023

MATIX
FERTILISERS AND CHEMICALS

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