



**MAHADHAN
AGRITECH
LIMITED**

ANNUAL REPORT 2022-23

NOTICE OF THIRTY-SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that Thirty-Sixth Annual General Meeting of the members of Mahadhan AgriTech Limited will be held at a shorter notice on Wednesday, 9th August 2023, at 04:00 p.m. at the Registered Office of the Company at Sai Hira, Survey No. 93, Mundhwa, Pune – 411 036 to transact the following business:

■ **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2023, and the Board's Report and Report of the Auditors thereon.
2. To appoint a director in place of Smt. Parul Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.

■ **SPECIAL BUSINESS**

3. To ratify the remuneration to be paid to the Cost Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of section 148 and other applicable provisions of the Companies Act 2013, and Companies (Audit and Auditors) Rules 2014, {including any statutory modification(s) or re-enactment thereof}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Harshad S. Deshpande & Associates, (Firm Registration No. 00378) appointed as Cost Auditors of the Company to conduct the Cost Audit of all applicable products for the financial year ending 31st March 2024, amounting to Rs. 2.75 Lakhs (Rupees Two Lakh Seventy-

Five Thousand only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses at actual, in connection with the said audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any Director, Chief Financial Officer and Company Secretary of the Company be and are hereby authorised severally to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. To appoint Shri B C Tripathi (DIN 01657366) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with schedule IV and any other applicable provisions of the Companies Act 2013, and the Companies (Appointment and Qualification of Directors), Rules 2014, {including any statutory modification(s) or re-enactment thereof for the time being in force}, Shri B C Tripathi (DIN 01657366), additional director in the capacity of Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under section 149(6) of the Companies Act 2013, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for the first term for a period of 5 consecutive years commencing from 1st August 2023.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and other applicable provisions of the Companies Act 2013, and the Rules made thereunder, Shri B C Tripathi (DIN 01657366) be paid such fees and profit-related commission as the Board may approve from time to time and subject to such limits as may be prescribed.

RESOLVED FURTHER THAT any Director, Chief Financial Officer and Company Secretary of the Company be and are hereby authorised severally to do all necessary acts and deeds to give effect to the resolution.”

By Order of the Board of Directors

Pankaj Gupta

Company Secretary

M. No.: FCS9219

Date: 25th July 2023

Place: Pune

■ NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An Explanatory Statement as required by section 102 of the Companies Act 2013 in respect of Special Business as set out above is annexed hereto.
3. The members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number in respect of shares held in physical form and to their respective Depository participants in respect of shares held in electronic form citing reference of their Client Id and DP ID.
4. All Proxyholder should carry their identity card at the time of attending the Meeting.
5. The Proxies Register shall open for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting. Inspection shall be allowed between 11 A.M. and 1 P.M.
6. The members/proxies should fill the Attendance Slip for attending the Meeting.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11.00 A.M. and 1.00 P.M., upto the date of the AGM.

8. The Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 4th August 2023. A person who is not a member as on the cut-off date should treat the notice for information purpose only.
9. Corporate members intending to send their Authorised Representatives to attend the Annual General Meeting are requested to send a certified copy of the appropriate resolution, as applicable, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
10. This AGM is held at a shorter notice pursuant to the consent received from not less than ninety five percent of the members entitled to vote at the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement as required by section 102 of the Companies Act 2013.

Item No. 3:

In pursuance of section 148 of the Companies Act 2013, and Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors (Board) are required to appoint an Individual who is Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which is also required to recommend remuneration for such auditor.

On recommendation of Audit Committee, the Board at their meeting held on 16th May 2023, has considered and approved the appointment of M/s Harshad Deshpande & Associates, (Firm Registration No. 00378), Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of Rs. 2.75 Lakhs (Rupees Two Lakh Seventy-Five Thousand only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31st March 2024.

The Board of Directors recommends the proposed ordinary resolution for the approval of the members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution.

Item No. 4:

Considering the rapid growth and the scale of operations that are likely to grow over the years, the management of the Company, feels it expedient to take on the Board of the Company, a person having expertise in Risk Management, Global Business Leadership, Management & Strategy, Operations & Engineering etc.

The Company shortlisted Shri B C Tripathi based on the requirement of the Company and criteria as provided in the Nomination and Remuneration Policy.

Shri B C Tripathi is also an Independent Director of the Holding Company, Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL).

The Board of Directors at their meeting held on 25th July 2023, on the recommendation of Nomination and Remuneration Committee, appointed Shri B C Tripathi as an Additional Director in the Capacity of Independent Director of the Company as per the applicable provisions of the Companies Act, 2013 with effect from 1st August 2023, for the first term of 5 consecutive years, subject to the approval of the shareholders.

In the opinion of the Board, Shri B C Tripathi fulfills the conditions specified in the Companies Act, 2013 and Shri B C Tripathi is independent of the management. Shri B C Tripathi meets the skill sets and capabilities required for the role as an Independent Director.

The Board is also of the opinion that Shri B C Tripathi possesses requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association as an Independent Director.

Shri B C Tripathi meets all the requirements of independence as required by the Companies Act 2013 and Rules made thereunder.

In respect of the re-appointment of Shri B C Tripathi, a notice in writing in the prescribed manner, as required under section 160 of the Companies Act 2013, and Rules made thereunder, has been received by the Company, regarding his candidature for the office of director. He is not disqualified from being re-appointed as a director in terms of section 164 of the Act. Further, he has accorded his consent to act as director.

Information about the appointee as per Secretarial Standards are as under:

Shri B C Tripathi was the youngest person to become a Chairman of India's then Navratna natural gas PSU - GAIL India Limited in August 2009. He has served 12 years in board of the company with a decade long tenure as its Chairman and Managing Director (CMD).

Widely regarded as one of the finest CEOs in the petroleum sector in the country, Shri Tripathi is credited with navigating GAIL through several challenging times. During his decade long tenure as the CMD, he steered the organisation towards three times increase in physical asset base, 300% increase in turnover from USD 3.6 Billion to USD 11 Billion, 65% increase in Market Capitalization from USD 5 Billion to USD 8.8 Billion and 200% increase in PAT.

He has transformed GAIL into a multi asset-based portfolio company with presence across gas value chain in multiple geographies such as USA, Singapore, Myanmar and Egypt. From aggressive foray into city gas business and striking Henry Hub linked LNG import deals; he is credited with leading GAIL's transformation into the league of Global Top 10 gas majors. The company has strengthened its core businesses across natural gas midstream and downstream chains during the last decade by doubling gas transmission capacity, tripling petrochemicals marketable portfolio. It has also forayed into newer game-changing opportunities by securing over 8.0 million tonnes per annum long-term LNG supply commitments.

During his tenure, GAIL was conferred the 'Maharatna' public sector enterprise status. He has introduced many initiatives within the organization making it one the best governed and fastest growing companies in India, garnering recognition and awards on multiple occasions along with excellent comments from all government and statutory bodies.

Shri Tripathi was a part of the government think tank driving policy reforms in the gas/energy sector and was instrumental in bringing the larger government objectives to realization.

As his legacy, he has left GAIL as a debt-free company along with pipeline of projects worth USD 7 Billion in Natural gas pipelines, Petrochemical Plants, fertilizer, coal gasification, LNG terminal and City Gas projects.

A mechanical engineer from NIT Allahabad, formerly Motilal Nehru Regional Engineering College, Allahabad, Shri Tripathi started his career with ONGC. He joined GAIL India during its inception in 1984 and was one of the founding team members.

Pursuant to the provisions of Secretarial Standards-2 (SS-2) issued by the Institute of Company Secretaries of India, brief particulars including shareholding of the Director proposed to be appointed is given at the end of the Notice and forms part of the Notice.

The terms and conditions of appointment of Independent Director will be available for inspection by Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days of the Company up to and including the day of the meeting and same is also available on the Company's website.

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution, except Shri B C Tripathi and his relatives.

By Order of the Board of Directors

Pankaj Gupta

Company Secretary

M. No.: FCS9219

Date: 25th July 2023

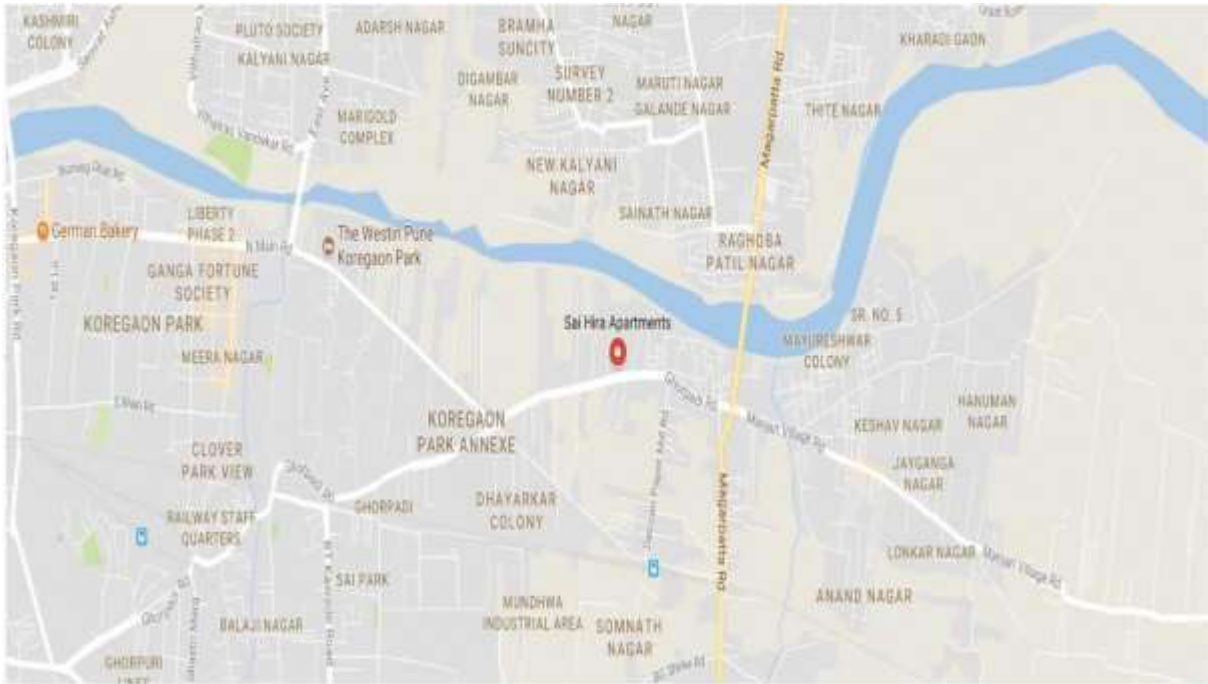
Place: Pune

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting [In pursuance to the relevant provisions of Secretarial Standards - 2]:

Name of the Director	Shri Bhuwan Chandra Tripathi	Smt. Parul S Mehta
DIN	01657366	00196410
Date of Birth	12.01.1960	17.03.1965
Age	63 Years	58 Years
Qualification	B. Tech (Mechanical)	B. Com.
Date of Appointment	1 st August 2023	21 st September 2017
Expertise	General Management	Social Service Advisor
Major Directorships	<ul style="list-style-type: none"> ➤ Deepak Fertilisers and Petrochemicals Corporation Ltd. (DFPCL) ➤ Ultra Gas Trading Limited ➤ Ultra Gas & Energy Limited 	<ul style="list-style-type: none"> ➤ Deepak Fertilisers and Petrochemicals Corporation Ltd. (DFPCL) ➤ Performance Chemiserve Ltd. (PCL) ➤ Nova Synthetic Limited ➤ Robust Marketing Services Pvt. Ltd. ➤ Hightide Investments Pvt. Ltd.
Member of the Committees in other Companies	<ul style="list-style-type: none"> ➤ Audit Committee - DFPCL ➤ Risk Management Committee - DFPCL 	<ul style="list-style-type: none"> ➤ CSR Committee - DFPCL ➤ Stakeholder's Relationship Committee - DFPCL
Chairmanship of the Committees in other Companies	Nomination and Remuneration Committee - DFPCL	-

Shareholding in the Company as on appointed date	Nil	One Equity Share jointly with DFPCL.
Relationship between the Directors inter-se	Nil	<ul style="list-style-type: none"> ➤ Shri Sailesh C. Mehta, Chairman and Managing Director is the Spouse of Smt. Parul S Mehta. ➤ Shri Yeshil S Mehta - Executive Director is a son of Smt. Parul S Mehta.
Terms and Conditions of Appointment	As mentioned in the Explanatory statement	Appointment as Non-executive Director pursuant to the provisions of the Companies Act 2013.
Remuneration	<ul style="list-style-type: none"> ➤ The sitting fee, as may be decided by the Board of Directors pursuant to the provisions of the Companies Act 2013 and Reules made thereunder. ➤ Commission, as may be decided by the Board of Directors pursuant to the provisions of the Companies Act 2013 and Reules made thereunder. 	<ul style="list-style-type: none"> ➤ The sitting fee, as may be decided by the Board of Directors pursuant to the provisions of the Companies Act 2013 and Reules made thereunder. ➤ Commission, as may be decided by the Board of Directors pursuant to the provisions of the Companies Act 2013 and Reules made thereunder.
Number of Board Meetings attended during the FY 2022-23	Not applicable	6

Map of Venue of Thirty-Sixth Annual General Meeting



BOARD'S REPORT

To
The Members

Your Board of Directors have pleasure in presenting the Thirty-Sixth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2023.

1. Financial Results

The summarised financial results are as under:

(Rs. in Crore)

Particulars	2022-23	2021-22
Total Income	9004.57	5,576.77
Total Expenses	7676.74	4,900.04
Profit / (Loss) Before Tax (PBT)	1327.83	676.73
Less:		
a) Provision for Income Tax	444.54	239.68
b) Provision for Deferred Tax (Credit)/Charges	10.74	(6.99)
Profit After Tax (PAT)	872.55	444.04
Other comprehensive income (net of tax)	0.66	(0.36)
Total Comprehensive Income	873.21	443.68

2. State of the Company's Affairs

Your Company has achieved total income of Rs. 9004.57 Crore during the financial year under review as against the previous financial year's level of Rs. 5,576.77 Crore. The performance of both the business segments Crop Nutrition Business (CNB) and Technical Ammonium Nitrate Business (TAN), had been good during the year under review.

Profit before Tax (PBT) for the year under review increased to Rs. 1327.83 Crore from Rs. 676.73 Crore in the previous year. Net Profit for the current year increased to Rs. 872.55 Crore from Rs. 444.04 Crore in the previous year.

Your Company has not prepared Consolidated Accounts pursuant to the provisions of Rule 6 of the Companies (Accounts) Rules 2014.

Crop Nutrition Business:

The Company is one of the leading manufacturers of differentiated NPK and specialty fertilisers in India. The business offers a wide range Crop Nutrition Solution NP (Nitro Phosphate), Smartek NPK and Croptek (Crop Nutrient solution), Solutek - Crop specific stage specific water-soluble product, Water Soluble Fertilisers and Superfast (Bentonite Sulphur) to Indian farmers under its flagship brand Mahadhan.

The Crop Nutrition Business has been on a transformation journey since last five years. The Company completely moved the product portfolio from commodity to differentiated, from plain NPK to Smartek grades. Currently, it is moving the product portfolio to Crop Solutions like Croptek and Solutek. This differentiation strategy has helped Crop Nutrition Business to good performance in FY23.

The Crop Nutrition Business successfully launched Croptek cotton and ground nut in the kharif season of FY23. Croptek onion, sugarcane and maize continued to enhance farmer experience. Since launch, CNB has successfully sold around 1.46 lakh MT Croptek and 1.4 million MT of Smartek. The Company is also establishing Solutek Crop and stage specific solution in water soluble category. Solutek established on Grape and Tomato Crop, Pomegranate grades launched in year under review.

The Company aims to work closely with farmers to increase farmer yield and soil health, while pruning cost. R&D will continue to play a vital role in improving competitiveness through innovations.

The Company continued to adopt various digital and physical means of connecting with stakeholders, as per its strategy of seeing is believing, as under:

- Conducted 21000+ Single product demos on focus crops during the year under review.
- Connected to 6 Lakh farmer through various farmer connect activities such as demo, demo site meeting, crop seminar, organised farmer meeting and Saarthie farmer meeting during the year under review.
- Around 1.23 Lakh + Farmer connected through apps.
- ~6 Lakh+ farmers connected to Mahadhan's Facebook page & YouTube channel.

Technical Ammonium Nitrate Business:

During the year under review TAN Business delivered strong financial performance with sales volume growth of 3% (YoY) in line with the Explosives/TAN demand growth in India. This performance was achieved despite highest ever influx of AN imports seen in the last 5 years.

Several measures were taken by the business that resulted in strong performance. These include - optimisation of product mix, competitive pricing with raw material cost pass-through, value driven pricing underpinned by Total Cost of Ownership (TCO) projects across different market segments, viz. Infrastructure, Metal Mining and Coal Mining segments.

TAN Business secured its first outcome-based (solutions based) contract in a prestigious infrastructure project of national repute. This was achieved through active involvement of Sales-Technical-Operations "Triangle" team of the business, which worked closely with the consumer to deliver productivity improvement for the

consumer. TAN Business also secured its first long term Down-The-Hole ANFO supply contract with a private sector coal mining company through value-based approach.

In line with the Company's overall strategy to be a solutions provider to the end users (consumers), TAN Business has been focusing on delivering value by improving mine and quarry productivity, through specialty products, customised solutions, and last mile execution excellence, in a safe and consistent manner.

Key initiatives undertaken by the TAN business during the year under review are:

- (i) Full utilisation of plant capacities.
- (ii) Forward integration to finished products (Cartridge and Bulk explosives) required by the Mining and Infrastructure industries.
- (iii) Deployment of specially designed Bulk Mixing and Delivery (BMD) Trucks to deliver ANFO bulk explosives directly into the blast hole in mines.
- (iv) Delivery of mine and quarry productivity improvement projects to optimise drilling, blasting, excavation, hauling and crushing costs, thereby improving the Total Cost of Ownership of the consumers in Infrastructure, Metal Mining and Coal Mining segments.

The Company is expanding TAN capacity in its existing Taloja plant in Maharashtra (brownfield expansion) and has also started construction of a greenfield TAN manufacturing plant in Gopalpur, Odisha, which is in the heart of Mining belt of India and ideally positioned to capitalise on the strong demand growth in the East and adjoining Central regions. The greenfield TAN plant in Gopalpur is expected to start production in FY 2026.

The Company's existing TAN plants, together with the brownfield and greenfield expansions, will enable India to become self-reliant for its TAN needs under the Atmanirbhar Bharat Abhiyaan, thereby cementing the Company's position further with the growing Mining and Infrastructure sectors of the Indian economy.

Composite scheme of arrangement:

The Board of Directors of the Company has approved Composite Scheme of Arrangement between the Company, Mahadhan AgriTech Limited (MAL) (Formerly Known as Smartchem Technologies Limited) (Demerged Company or Transferee Company), Deepak Mining Services Private Limited (DMSPL) (Resulting Company) and Mahadhan Farm Technologies Private Limited (MFTPL) (Transferor Company) and their respective shareholders in accordance with the provisions of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act 2013 and the Rules framed thereunder.

The Scheme provides for demerger of the TAN Business of the Company to the Resulting Company and amalgamation of the Transferor Company with the Company.

This will result into creating holistic business entities housed in identified corporate entities.

Change of name of the Company from "Smartchem Technologies Limited" to "Mahadhan AgriTech Limited":

The name of the Company has been changed from "Smartchem Technologies Limited" to "Mahadhan AgriTech Limited" with effect from 20th April 2023 and in this regard, the Registrar of Companies, Pune, has issued "Certificate of Incorporation pursuant to change of name".

3. Investment in Performance Chemiserve Limited, Subsidiary of the Company

During the year under review, the Company has made an investment of approx. Rs. 300 Crores in Performance Chemiserve Limited (PCL) through rights issues, considering the progress of Ammonia Project, being set-up by PCL. The total investment of the Company in PCL as on 31st March 2023 is approx. Rs. 1634.61 Crores.

4. Compulsorily Convertible Debentures (CCDs)

In the financial years 2019-20 and 2020-21, the Company had issued Compulsorily Convertible Debentures on a private placement basis to International Financial Corporation (IFC), the details of which are as given below:

Date	Tranche	No. of CCDs	Face value	Amount
16 th October 2019	First	1,050	Rs. 10,00,000 each	Rs. 105 Crores
5 th October 2020	Second	1,050	Rs, 10,00,000 each	Rs. 105 Crores
	Total	2,100		Rs. 210 Crores

As on 31st March 2023, the aforesaid CCDs issued in the First Tranche and in the Second Tranche are outstanding.

5. Optionally Convertible Debentures (OCDs)

During the year under review, the Company had issued Optionally Convertible Debentures (OCDs) on a private placement basis to the Holding Company i.e., Deepak Fertilisers and Petrochemicals Corporation Limited, the details of which are as given below:

Date	Series	No. of OCDs	Face value	Amount
20 th January 2023	1	10,000	Rs. 10,00,000/- each	Rs. 1,000 Crores

As on 31st March 2023, the aforesaid OCDs issued are outstanding.

6. Dividend

With a view to conserve resources for growth, your Board does not recommend any Dividend for the year under review.

7. Transfer to Reserve

The closing balance of retained earnings of the Company for the financial year 2022-23, after all appropriations and adjustments was Rs. 1612.77 Crore. During this year, the Company has not transferred any amount to general reserve.

8. Board of Directors

Composition and Category of Directors as on 31st March 2023 are as under:

Sr. No.	Name of Director	Category
1.	Shri Sailesh C. Mehta	Chairman and Managing Director
2.	Shri Yeshil S. Mehta	Executive Director
3.	Smt. Parul S. Mehta	Non-Executive and Non-Independent
4.	Dr. T. K. Chatterjee	Non-Executive and Non-Independent
5.	Shri M. P. Shinde	Non-Executive and Non-Independent
6.	Shri Ashok Kumar Purwaha	Independent Director
7.	Shri Partha Bhattacharyya	Independent Director
8.	Shri Alok Perti	Independent Director
9.	Shri S. R. Wadhwa#	Independent Director
10.	Shri U. P. Jhaveri#	Independent Director

- # Consequent to the completion of second term as Independent Directors, Shri S. R. Wadhwa and Shri U. P. Jhaveri have ceased to be the Independent Directors of the Company w.e.f. 22nd June 2022.

9. Cessation as Independent Directors of the Company

Shri S. R. Wadhwa and Shri U. P. Jhaveri, Independent Directors of the Company consequent to completion of their second term as Independent Directors of the Company, have ceased to be Independent Directors of the Company w.e.f. 22nd June 2022.

10. A statement regarding the opinion of Board the with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

During the year under review no Independent Directors was appointed by the Board of Directors of the Company.

11. Number of Board Meetings held and attendance of Directors

During the year under review, Seven Board Meetings were held on 24th May 2022, 28th July 2022, 18th October 2022, 9th November 2022, 15th December 2022, 1st February January 2023 and 23rd March 2023.

The records of attendance of Directors are as under:

Sr. No.	Name of Director	No. of Board Meetings attended
1.	Shri Sailesh C. Mehta	7 out of 7
2.	Shri Yeshil S. Mehta	7 out of 7
3.	Smt. Parul S. Mehta	6 out of 7

4.	Dr. T. K. Chatterjee	7 out of 7
5.	Shri M. P. Shinde	7 out of 7
6.	Shri Ashok Kumar Purwaha	7 out of 7
7.	Shri Partha Bhattacharyya	6 out of 7
8.	Shri Alok Perti	7 out of 7
9.	Shri S. R. Wadhwa#	1 out of 1
10.	Shri U. P. Jhaveri#	1 out of 1

Consequent to the completion of second term as Independent Directors of the Company, Shri S. R. Wadhwa and Shri U. P. Jhaveri have ceased to be the Independent Directors of the Company w.e.f. 22nd June 2022.

12. Director retiring by rotation

Smt. Parul Mehta (DIN 00196410) retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment pursuant to the provisions of section 152 and other applicable provisions of Companies Act 2013 and Rules made thereunder.

13. Declarations from Independent Directors

Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) and other applicable provisions of the Companies Act 2013.

14. Committees of Board of Directors

(i) Audit Committee

The Company has an Audit Committee comprising of three directors. The Committee is headed by Shri Partha Bhattacharyya, an Independent Director.

During the year under review, Nine Audit Committee meetings were held on 24th May 2022, 8th July 2022, 28th July 2022, 14th October 2022, 9th November 2022, 15th December 2022, 3rd January 2023, 1st February 2023 and 23rd March 2023. The composition of Audit Committee and records of attendance of members are as given below:

Sr. No.	Name of Director	Chairman / Member	No. of Meetings attended
1.	Shri Partha Bhattacharyya#	Chairman	7 out of 8
2.	Shri Ashok Kumar Purwaha#	Member	8 out of 8
3.	Shri M. P. Shinde#	Member	7 out of 8
4.	Shri S. R. Wadhwa\$	Chairman	1 out of 1
5.	Shri U. P. Jhaveri\$	Member	1 out of 1
6.	Dr. T. K. Chatterjee\$	Member	1 out of 1

Shri Partha Bhattacharyya was appointed as Chairman of the Committee w.e.f. 22nd June 2022. Shri Ashok Kumar Purwaha and Shri M. P. Shinde were appointed as members of the Committee w.e.f. 22nd June 2022.

\$ Shri S. R. Wadhwa ceased to be the Chairman, and Shri U. P. Jhaveri & Dr. T. K. Chatterjee ceased to be the members, of the Committee w.e.f. 22nd June 2022.

During the year under review all the recommendations made by the Audit Committee were accepted by the Board of Directors.

The terms of reference of the Audit Committee are in conformity with the provisions of section 177 and other applicable provisions of the Companies Act 2013, and *inter alia* include recommending for appointment, remuneration and terms of appointment of auditors of the Company; reviewing and monitoring auditors' independence and performance, effectiveness of audit process; examining financial statement and the

auditors' report thereon; approving or any subsequent modification of transactions of the Company with related parties scrutinising inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever it is necessary; evaluating internal financial controls and risk management systems; monitoring the end use of funds raised through public offers and related matters.

(ii) Corporate Social Responsibility Committee (CSR)

The Company has a CSR Committee comprising of three directors. The Committee is headed by Shri M. P. Shinde.

During the year under review, Two CSR Committee Meetings were held on 17th June 2022 and 23rd March 2023. The composition of CSR Committee and records of attendance of members are as given below:

Sr. No	Name of Director	Chairman / Member	No. of Meetings attended
1.	Shri M. P. Shinde@	Chairman	2 out of 2
2.	Smt. Parul S. Mehta	Member	2 out of 2
3.	Shri Alok Perti#	Member	1 out of 1
4.	Shri S. R. Wadhwa\$		1 out of 1

@ Shri M. P. Shinde was appointed as the Chairman of the Committee w.e.f. 22nd June 2022.

Shri Alok Perti was appointed as Member of the Committee w.e.f. 22nd June 2022.

\$ Shri S. R. Wadhwa ceased to be the Chairman and Member of the Committee w.e.f. 22nd June 2022.

The Board of Directors of the Company has formed Corporate Social Responsibility (CSR) Policy, to articulate a clear and long-term focus for the Company's CSR initiatives, to help setup high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models, to encourage a sense

of empathy and equity amongst the employees to motivate them to serve the society, to allow network with like-minded NGOs/firms/people who can enhance/complement our efforts.

The Board of Directors of the Company has approved a comprehensive CSR Policy as per the amended provisions of the Companies Act 2013. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at <https://mahadhanagritech.com/uploads/2021/08/STL-CSR-Policy.pdf>

Terms of reference of CSR policy of the Company

The Corporate Social Responsibility Policy of the Company indicates the activities to be undertaken by the Company. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises inter-alia, of the following:

- (a) Reviewing the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013.
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in CSR Policy of the Company.
- (c) To formulate and recommend to the Board, Annual Action Plan of CSR.
- (d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company; and
- (e) To monitor the CSR Policy of the Company from time to time.

The Annual Report of the initiatives taken by the Company on CSR during the year under review as per Companies (Corporate Social Responsibility Policy) Rules as amended is given in the **Annexure-I** forming part of this Report.

(iii) Nomination and Remuneration Committee (NRC)

The Company has a Nomination and Remuneration Committee comprising of three directors. The Committee is headed by Shri Ashok Kumar Purwaha.

During the year under review, one NRC Meeting was held on 23rd May 2022. The composition of NRC Committee and records of attendance of members are as given below:

Sr. No.	Name of Director	Chairman / Member	No. of Meetings attended
1.	Shri. Ashok Kumar Purwaha@	Chairman	0 out of 0
2.	Shri Partha Bhattacharyya@	Member	0 out of 0
3.	Shri M. P. Shinde@	Member	0 out of 0
4.	Shri S. R. Wadhwa#	Chairman	1 out of 1
5.	Shri U. P. Jhaveri#	Member	1 out of 1
6.	Dr. T. K. Chatterjee#	Member	1 out of 1

@ Shri. Ashok Kumar Purwaha was appointed as member and chairman of the Committee w.e.f. 22nd June 2022. Shri Partha Bhattacharyya and Shri M. P. Shinde were appointed as members of the committee w.e.f. 22nd June 2022.

Shri S. R. Wadhwa ceased to be the Chairman, and Shri U. P. Jhaveri & Dr. T. K. Chatterjee ceased to be the members of the Committee w.e.f. 22nd June 2022.

The Company has adopted a Nomination and Remuneration Policy of Director, Senior Management Employees and Key Managerial Personnel. The Policy is approved by the Nomination & Remuneration Committee and the Board of Directors.

The terms of reference of Nomination and Remuneration Committee (NRC)

The terms of reference of the Nomination and Remuneration Committee *inter alia* broadly comprises of identifying 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 and removal, formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulating criteria for evaluation of Chairman, Directors, Board and Committees.

The Nomination and Remuneration Policy of the Company is enclosed as Annexure - II to this Report. A copy of Nomination and Remuneration Policy is also available on the website of the Company i.e. <https://mahadhanagritech.com/uploads/2021/08/STL-Nomination-and-Remuneration-Policy.pdf>

(iv) Securities Issue Committee

Your Company has Securities Issue Committee having following members:

- (1) Shri Yeshil S Mehta – Chairman
- (2) Dr. T. K. Chatterjee – Member
- (3) Shri M. P. Shinde – Member; and
- (4) Shri Amitabh Bhargava – Member

During the year under review, two meeting of the Securities Issue Committee were held i.e., 10th January 2023 and 20th January 2023, which was attended by all the members of Committee.

15. Changes in Key Managerial Personnel (KMP)

During the year under review, there was no change in key managerial personnel apart from the above.

16. Evaluation of performance of the Board, Chairman, Individual Directors and the Committees of the Board

Pursuant to the provisions of the Companies Act 2013, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committee(s) for the financial year 2022-23. The Board at its Meeting held on 16th May 2023 reviewed the reports on performance assessment of the Board, its Committees, Chairman and individual directors and found to be satisfactory.

The evaluation has been carried out with the help of an independent external agency employing software driven data compilation and analysis.

17. Meeting of Independent Directors

The Independent Directors met on 23rd May 2022, *inter-alia*, to discuss and review the following:

- (i) The performance of Non-Independent Directors and the Board of Directors as a whole.
- (ii) The performance of Chairman of the Company, taking into account the views of executive director and non-executive directors.
- (iii) To discuss the quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

18. Directors' Responsibility Statement

Pursuant to the provisions of sub-section (5) of section 134 of the Companies Act 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) the accounting policies had been selected and applied 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 on 31st March 2023 and of the profit and loss of the Company for that period.
- (iii) proper and sufficient care had been taken 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.
- (iv) the annual accounts had been prepared on a going concern basis; and
- (v) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

19. Statutory Auditors and their Report

The Members of the Company at the 34th Annual General Meeting held on 10th August 2021 have accorded their consent to re-appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) as Statutory Auditors of the Company for the Second Term for a period of five years from the conclusion of 34th Annual General Meeting until the conclusion of 39th Annual General Meeting of the Company.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

20. Cost Auditor and Cost Audit Report

Your Board of Directors have appointed M/s. Harshad Deshpande & Associates, Cost Accountants, (Firm Registration No. 00378), as the Cost Auditors of the Company for the financial year ended 31st March 2024, at their meeting held on 16th May 2023, at a remuneration of Rs. 2.75 Lakhs plus applicable taxes and out of pocket expenses at actual, which shall be subject to the approval of the members at the ensuing Annual General Meeting.

Further, M/s. Harshad Deshpande & Associates, Cost Accountants, will submit the cost audit report along with annexure for the financial year 2022-23 to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

The Cost Audit Report for the financial year ended 31st March 2022, was duly filed within specified time limits, with the Central Government (Ministry of Corporate Affairs) on 17th November 2022.

The provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act 2013, is required to be maintained by the Company and accordingly, such accounts and records are made and maintained.

21. Secretarial Audit Report and Secretarial Auditor

The Secretarial Auditor, M/s. Jog Limaye & Associates, Practising Company Secretaries, has issued Secretarial Audit Report for the financial year 2022-23, pursuant to the provisions of section 204 and other applicable provisions, if any, of the Companies Act 2013, which is annexed to this Board's Report (**Annexure - III**).

The Secretarial Audit Report to the members for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

Your Board of Directors have appointed M/s. Jog Limaye & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2023-24 at their meeting held on 16th May 2023.

22. Details in respect of frauds reported by Auditors under Section 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act 2013.

23. Internal Auditors

Ernst & Young (EY) LLP is the internal auditors of the Company in compliance with section 138 and other applicable provisions, if any, of the Companies Act 2013, and Rules made thereunder.

24. Adequacy of Internal Financial Controls

Your Company's internal control systems are commensurate with the nature, size and complexity of the businesses and operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow-up actions are reported to the Audit Committee.

The Company has also adopted Internal Financial Control framework in line with section 134(5)(e) and other applicable provisions, if any, of the Companies Act 2013, to authenticate implementation of the Company policies across businesses, protect intellectual property, prevent and detect frauds and errors and ensure transparency of accounting records. Based on its evaluation (as defined in section 177 of the Companies Act 2013), the Audit Committee has concluded that, as of 31st March 2023, the Company's internal financial controls were adequate and operating effectively.

25. Subsidiary, Associate Company and Joint Venture Company

Your Company has four subsidiaries viz, Platinum Blasting Services Pty Ltd. (PBS), Australian Mining Explosives Pty Ltd. (Subsidiary of PBS), Performance Chemiserve Limited (PCL) and Mahadhan Farm Technologies Private Limited (MFTPL). Your Company does not have any Associate or Joint Venture Company.

Report on the performance and financial position of the Subsidiary Companies is given in specified format in **Annexure - IV** forming part of this Report.

26. Particulars of Loan, Guarantee and Investments

Details of investments made, loans advanced and guarantee issued by the Company have been given in notes to the Financial Statement.

27. Annual Return

In terms of Section 92(3) of the Companies Act 2013, and Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return of the Company is available on the website of the Company at <https://mahadhanagritech.com/annual-return>

28. Related Party Transactions

The Company has entered into contract / arrangements with related parties in the ordinary course of business and on arm's length basis. Thus, provisions of section 188(1) and other applicable provisions, if any, of the Companies Act 2013, are not applicable.

29. Public Deposits

The Company has not accepted any deposits, covered under Chapter V of the Companies Act 2013, and hence no details pursuant to Rules 8 (5) (v) and (vi) of the Companies (Accounts) Rules 2014, are reported.

30. Material Changes and Commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

31. Significant and Material Orders passed by the Regulators or Courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

32. Names of Companies which have become or ceased to be the subsidiaries, Joint Ventures or Associate Companies during the year

During the year under review, there were no such instances.

33. Particulars of employees and related disclosures

The details of the employees pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, will be available for inspection. Members interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request. Hence, the Annual Report is being sent to all the members of the Company excluding the aforesaid information.

34. Risk Management

The Company has put in place an adequate and effective risk reporting system, through the Risk Management Policy of the Holding Company, Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL).

DFPCL has framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries.

In the opinion of the Board, there are no residual risks, which would threaten the existence of the Company.

35. Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013

Pursuant to the provisions of section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Rules, the internal committee constituted under the said act has confirmed that no complaint / case has been filed / pending with the Company during the year. The said policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

36. Industrial Relations

Industrial Relations remained cordial during the year under report.

37. Conservation of energy, technology absorption and foreign exchange earnings and outgo

As required by the Companies (Accounts) Rules 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure - V** forming part of this Report.

38. Acknowledgement

Your directors wish to place on record their sincere appreciation to its bankers for their continued support during the year.

Your directors are also pleased to record their appreciation for the dedication and contribution made by the employees at all levels who through their competence and hard work, have enabled your Company to achieve good performance in the emerging competitive environment and look forward to their support in future as well.

For and on behalf of the Board of Directors,

Sailesh C. Mehta

Chairman and Managing Director

DIN: 00128204)

Place: Pune

Date: 16th May 2023

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

For over a decade as a socially responsible Company, Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) (“MAL” or “the Company”), is committed to serving the society it operates in. The Company conducts several outreach programmes around its Establishment.

While the CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act 2013, the focus will be on the following broad themes:

- a) Women empowerment through vocational training (skill development) and livelihood Programmes
- b) Health; and
- c) Education.

The underlying objective for the aforesaid themes is aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth and women to ensure livelihood for economic betterment and social development of themselves and their families, instilling pride and confidence (in the target population) to take on future challenges.

Health initiatives, culture and heritage support programmes have also formed the Company’s ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	No. of Meetings attended
1.	Shri M. P. Shinde@	Chairman	2	2 out of 2
2.	Smt. Parul S. Mehta	Member	2	2 out of 2
3.	Shri Alok Perti#	Member	2	1 out of 1
4.	Shri S. R. Wadhwa\$		1	1 out of 1

@ Shri M. P. Shinde was appointed as the Chairman of the Committee w.e.f. 22nd June 2022.

Shri Alok Perti was appointed as Member of the Committee w.e.f. 22nd June 2022.

\$ Shri S. R. Wadhwa ceased to be the Chairman and Member of the Committee w.e.f. 22nd June 2022.

3. Details of the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

Composition of CSR committee:

<https://www.mahadhanagritech.com/uploads/2017/04/Board-Committees.pdf>

CSR Policy:

<https://mahadhanagritech.com/uploads/2021/08/STL-CSR-Policy.pdf>

CSR projects:

<https://www.mahadhanagritech.com/company-policies>

4. Details of the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not applicable

5. (a) Average net profit of the Company as per Section 135(5): **Rs. 31,787.00 Lakhs**
- (b) Two percent of average net profit of the Company as per Section 135(5): **Rs. 635.75 Lakhs**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any ***:
Rs. 39.71 Lakhs
- (e) Total CSR obligation for the financial year (5b+5c-5d): **Rs. 596.04 Lakhs**

*** Excess amount of Rs. 39.71 Lakhs contributed by the Company to IsFon towards CSR Projects in the financial year 2021-22. IsFon had spent Rs. 38.70 Lakhs during the financial year 2021-22 and balance amount of Rs. 1.01 Lakh during the financial year 2022-23.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 446.81 Lakhs (including set off of previous year).
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year (6a+6b+6c): Rs. 446.81 Lakhs
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount (Rs. in Lakhs)	Date of transfer	Name of the Fund	Amount (Rs. in Lakhs)	Date of transfer
446.81	188.94**	29 th April 2023	N.A.	N.A.	N.A.

** It represents the amount unspent on Ongoing Projects.

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

Sl. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	635.75
(ii)	Total amount spent for the Financial Year	446.81
(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)]	-

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

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (Rs. in Lakhs)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (Rs. in Lakhs)	Amount spent in the Financial Year (Rs. in Lakhs)
(i)	(ii)	(iii)	(iv)	(v)
NIL				

Amount transferred to a fund specified under Schedule VII as per second proviso to sub section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years. (Rs. in Lakhs)	Deficiency, if any
(vi)	(vii)	(viii)
Amount (Rs. in Lakhs)	Date of transfer.	
NIL		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

YES

NO

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

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

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

The Company has an ongoing project for promoting education i.e. Establishment of Skill Development Center (SDC). There is a delay in obtaining suitable land / clarity on usage of the identified land for SDC.

Therefore, the Company could not spend Rs. 188.94 Lakhs during the financial year 2022-23. The Company will spend Rs. 188.94 Lakhs, which is unspent CSR amount for the financial year 2022-23, in the coming financial years. The Company has deposited the said amount of Rs. 188.94 Lakhs in the separate bank account, Mahadhan AgriTech Limited unspent CSR Account for the financial year 2022-23, opened for this purpose.

Sailesh C Mehta
Chairman and Managing Director

M. P. Shinde
Chairman of the CSR Committee

16th May 2023

* * * * *

NOMINATION AND REMUNERATION POLICY

1. Introduction

The Nomination and Remuneration Policy (“Policy”) of the Company has been formulated in accordance with the provisions of Companies Act 2013, and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

2. Objective and Scope

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

- a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

3. Definitions

“**Act**” means Companies Act 2013 and Rules thereunder.

“**Board**” means Board of Directors of the Company

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Smartchem Technologies Limited (STL).

“**Independent Director**” means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act 2013.

“**Key Managerial Personnel**” means Key managerial personnel as defined under the Companies Act 2013, and includes:

- (i) Managing Director or Executive Director or Chief Executive Officer or Manager
- (ii) Whole-time Director
- (iii) Company Secretary
- (iv) Chief Financial Officer; and
- (v) such other officer as may be prescribed.

“**Policy**” means Nomination and Remuneration Policy.

“**Senior Management**” means personnel of the Company who are members of its core management team (Internal Board) excluding the Board of Directors.

4. Functions of Committee:

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- a. 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.
- b. To recommend to the Board a policy for following:
 - (i) Determining qualifications, positive attributes and independence of a director.
 - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management.
 - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (v) 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.
 - (vi) Performance evaluation of Independent Directors and the Board.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorised to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

5. Membership

- (i) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- (ii) The quorum shall be either two members or one third of the members of the Committee whichever is higher
- (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) Term of the Committee shall be continued unless terminated by the Board of Directors.

6. Chairperson

- (i) Chairperson of the Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

7. Frequency of Meeting

The meeting of the Committee shall be held at such regular intervals as may be required.

8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Minutes of Committee Meeting

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

10. Policy for appointment and removal of Director Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”)

(A) Appointment criteria and qualifications for Director, KMP and SMP

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise, positive attributes and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- (ii) The President (HR) of the Company / Ultimate Holding Company, Deepak Fertilisers and Petrochemicals Corporate Limited, under the overall superintendence and control of the Chairman, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.
- (iii) Upon finalisation of appointment of a person for the position of KMP and/or SMP by the Chairman of the Company and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

(B) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act and Rules thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director and/or the KMP subject to the provisions and compliance of the applicable Acts and Rules. However, the decision to remove the SMP shall be taken by the Chairman of the Company.

(C) Retirement

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairman of the Company.

11. Policy relating to the Remuneration

(A) **General -for the Whole time Director:**

- (i) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if required.
- (ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.
- (iii) Term / Tenure of the Directors shall be as per the Company's policy and subject to the provisions of the Act.

(B) Remuneration to Whole-time / Executive / Managing Director:

(i) Fixed pay:

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders, if required.

(ii) Commission

Commission may be paid within the limits approved by shareholders.

(iii) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

(iv) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without approval required under Section 197 of the Companies Act 2013, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the

Company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

(C) Remuneration to Non- Executive / Independent Director:

(i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

(ii) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

(iii) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

(D) Remuneration to Key Managerial Personnel and Senior Management Personnel:

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of KMP and SMP shall include the following components:

- (i) Basic pay
- (ii) HRA
- (iii) Allowances
- (iv) Perquisites and Benefits
- (v) Retiral benefits
- (vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

with liberty to the management to allocate the amounts towards various salary components subject to there being no change in the overall Cost to the Company.

12. Amendments

This Policy may be amended by the Board at any time and is subject to amendments to the Companies Act 2013 (the Act 2013).

* * * * *



Jog Limaye & Associates

Practicing Company Secretaries

Annexure – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To,

The Members,

MAHADHAN AGRITECH LIMITED

(Formerly known as Smartchem Technologies Limited)

Sai Hira, Survey No.93, Mundhwa,

Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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





Jog Limaye & Associates

Practicing Company Secretaries

- (i) the Companies Act, 2013 (the Act) amended from time to time and the Rules, Notifications and Circulars issued thereunder (in so far as they are made applicable) and
- (ii) other Laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are-
1. Petroleum Act, 1934 and Rules, 2002
 2. Explosive Act, 1908
 3. Essential Commodities Act, 1955
 4. The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989
 5. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
 6. Ammonium Nitrate Rules, 2012
 7. Fertiliser (Control) Order, 1985
 8. Petroleum and Minerals Pipelines (Acquisition of Right Users in Land) Act, 1962

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the "Institute of Company Secretaries of India".

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.





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Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well 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.

Generally, decisions at the Committee and Board Meetings are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Directors, if any, have been captured and recorded in the minute book.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that

At the Annual General Meeting of the Company held on 2nd August 2022, following business were transacted:

- (1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31st March 2022, and the Board's Report and Auditor's Report thereon.
- (2) The Shareholders passed an Ordinary Resolution to appoint a director in place of Shri M P Shinde (DIN: 06533004), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) The Shareholders passed an Ordinary Resolution to ratify the remuneration to be paid to the Cost Auditors of the Company.
- (4) The Shareholders passed an Ordinary Resolution to consider appointment of Shri Alok Perti as Independent Director of the Company.
- (5) The Shareholders passed a Special Resolution to consider and approve re-appointment of Shri Yeshil S. Mehta as an Executive Director of the Company.





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We further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

**For Jog Limaye & Associates
Company Secretaries**

**Mandar Shrikrishna Jog
Partner**

M. No. F9552

CP No.- 9798

UDIN: F009552E000276247

PR- 738/2020

Date- 09/05/2023

Place - Pune

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.



Jog Limaye & Associates
Practicing Company Secretaries
'ANNEXURE A'

To,
The Members,
MAHADHAN AGRITECH LIMITED
(Formerly known as Smartchem Technologies Limited)
Sai Hira, Survey No.93,
Mundhwa, Pune 411036

Our Secretarial Audit 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 and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jog Limaye & Associates
Company Secretaries


Mandar Shrikrishna Jog

Partner

M. No. F9552

CP No.- 9798

UDIN: F009552E000276247

PR- 738/2020

Place - Pune

Date: 09/05/2023

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules 2014]

**Statement containing salient features of the financial statement of subsidiaries/
associate companies / joint ventures**

Part “A”: Subsidiaries

(Rs. In Lakhs)

Sr. No.	Particulars	Subsidiaries			
		Platinum Blasting Services Pty Ltd.	Australian Mining Explosives Pty Ltd	Performance Chemiserve Limited	Mahadhan Farm Technologies Private Limited
1	Name of the Subsidiary	Platinum Blasting Services Pty Ltd.	Australian Mining Explosives Pty Ltd	Performance Chemiserve Limited	Mahadhan Farm Technologies Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	1 st April 2022 to 31 st March 2023	1 st April 2022 to 31 st March 2023	1 st April 2022 to 31 st March 2023	1 st April 2022 to 31 st March 2023
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AUD 1 AUD = 54.9077	AUD 1 AUD = 54.9077	Indian Rupees	Indian Rupees
4	Share Capital	4806	-	19	1
5	Reserves & Surplus	4240	249	173189	329
6	Total Assets	26567	2959	378323	1000
7	Total Liabilities	17521	2710	205115	670
8	Investments	-	-	880	-
9	Turnover	50454	1578	703	4017
10	Profit before taxation	5233	495	836	129
11	Provision for taxation	2252	149	215	33
12	Profit after taxation	2981	347	621	96
13	Proposed Dividend	-	-	-	-
14	% of shareholding	65.00%	65.00%	94.40%	100.00%

Notes:

- Name of subsidiaries which are yet to commence operations: **Not applicable**
- Name of the subsidiaries which have been liquidated or sold during the year: **Not applicable.**
- The figures mentioned above are Standalone Figures.
- Shareholding as on 31st March 2023.
- Platinum Blasting Services Pty Ltd hold 100% shares i.e. 1 ordinary share of Australian Mining Explosives Pty Ltd.

About Subsidiaries:

Platinum Blasting Services Pty. Limited, Australia

Platinum Blasting Services Pty. Limited is a joint venture (JV) between your Company with local Australian partners having vast experience in providing value-added blasting services and operational expertise to mining and explosives industries in Australia. This is part of your Company's forward integration initiative. The Company supplies Technical Ammonium Nitrate to the JV.

Australian Mining Explosives Pty. Limited

Australian Mining Explosives Pty. Limited (AME), an Australian company, is a wholly owned subsidiary of Platinum Blasting Services Pty. Ltd. (a subsidiary of your Company) and is engaged in the business of storage and handling of Technical Ammonium Nitrate.

Performance Chemiserve Limited (PCL)

Performance Chemiserve Limited is a subsidiary of your Company. Your Company is holding 94.40% of the Equity share capital of PCL. PCL is involved in Chemical drum filling activities. Further, PCL is setting up Ammonia Project of 1,500 MTPD Capacity.

Mahadhan Farm Technologies Private Limited

Mahadhan Farm Technologies Private Limited (MFTPL) is a wholly owned subsidiary of your Company. MFTPL is involved in manufacturing of water soluble NPKs grades namely 19:19:19, 20:20:20 and 13:40:13; which is further marketed by the Company.

Part "B": Associates and Joint Ventures

**[Statement pursuant to Section 129 (3) of the Companies Act 2013, related to
Associate Companies and Joint Ventures]**

NOT APPLICABLE

For and on behalf of the Board of Directors,

Sailesh C. Mehta

Chairman and Managing Director

DIN: 00128204

Place: Pune

Date: 16th May 2023

Annexure - V

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

Section 134(3)(m) of The Companies Act 2013, read with Rule 8(3) of the Companies (Accounts) Rules 2014

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

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:

Taloja K1-6 Plant:

- (a) Installation of "Flash steam recovery from Coal fired boiler drum blow-down water" is underway to recover steam & thermal energy which is lost during blow down operation. This steam will be utilised to heat boiler feed water which will save approx. Rs. 18 Lakhs p.a.
- (b) Installation of VFD in the primary air fans of Coal fired boiler is planned, to reduce throttling losses and improve fan operating efficiency, thereby reducing auxiliary power consumption. This will save approx. Rs. 60 Lakhs p.a.

Srikakulam Plant:

- (a) Conventional lighting is replaced with energy efficient LED Lights reducing power consumption by 26.25 MWh/annum.
 - (b) Installation of new energy efficient ACs resulting in power savings of around 7 MWh/annum.
- (ii) **THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:**

Taloja K7-8 Plant:

Continued utilisation of ~2400 MWh/annum of renewable energy (solar PV farm) through open access at JNPT Tank farm, resulting in saving of approx. Rs. 12 Lakhs p.a. Further substitution with 17% renewable energy is being planned.

- (iii) **THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT:**

As mentioned above in A (i).

B. TECHNOLOGY ABSORPTION

- (i) **The efforts made towards technology absorption**

Taloja K7-8 Plant:

- (a) Based on successful pilot trials, implemented full scale AN recovery unit with Mechanical Vapor Recompression (MVR) technology, to reduce effluent TDS, recover ammonium nitrate (product) & recycle around 144 m³/day of vapor

condensate to be used as make-up in Cooling Tower. Project commissioned in FY22-23 with total investment of approx. Rs. 1,000 Lakhs.

- (b) Developed & commissioned facility for curing of Low-Density Ammonium Nitrate (LDAN) to improve the prill flowability and product shelf life. Project commissioned in FY22-23 with total Investment cost of approx. Rs. 3,070 Lakhs.

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

Taloja K1-6 Plant:

- (a) Following successful trials & pilot production of powdered Water-Soluble Fertilisers (WSF), full scale production facility of 20 MTPD is under installation. Commissioning is planned in December 2023.
- (b) Technical Mono ammonium Phosphate (T-MAP): Laboratory process developed to purify domestic MAP to 99.9% pure technical grade MAP with water insoluble impurities less than 0.1%.
- (c) Successful trials & substitution of hydrate to anhydrous Magnesium source to improve the composition, granularity and product quality of NPK based Water Soluble Fertilizers. This resulted into Saving of approx. Rs. 32 Lakhs.
- (d) Potash Recovery: Successful trials & development of Process for recovery of Potash from spent wash incinerator ash. Specifications & schematics for full scale facility is developed & under techno-commercial evaluation.

Taloja K7-8 Plant:

Installed a new facility for loading AN Melt tanker at its K8 site to sell ammonium nitrate in molten form. Project commissioned in FY22-23 with total investment of approx. Rs. 1,364 Lakhs.

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

Details of Technology imported	The Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and reasons therefor
Vibro-Priller Technology for LDAN Prilling (Taloja K-8)	2019-20	Yes	-
Vibro-Priller Technology for HDAN Prilling (Taloja K-7)	2020-21	Yes	-

(iv) The expenditure incurred on Research and Development

There is no major expenditure on Research and Development during the year.

C. Foreign exchange earnings and Outgo

Details of Foreign Exchange Earning are as under:

Rs. in Lakhs

Particulars	31 st March 2023	31 st March 2022
Export of goods (on FOB basis)	85.83	3,583.21
Other Income	7583.61	-
TOTAL	7669.44	3,583.21

Details of Foreign Exchange Outgo are as under:

Expenditure in Foreign Currency

Rs. in Lakhs

Particulars	31 st March 2023	31 st March 2022
Interest and repayment of Loans.	2752.39	195.65
Technical fees to Foreign Vendors	3020.37	1,382.81
Foreign Travels	-	-
Others (Net of Reimbursements)	1431.79	16.80
Total	7204.55	1,595.26

CIF Value of Imports

Rs. in Lakhs

Particulars	31 st March 2023	31 st March 2022
Raw Materials	316,736.71	208,968.32
Capital Goods	-	2,999.97
Components & Spares	3,060.11	4,634.53
Stock-in-trade	87,896.79	38,281.02
Total	407,693.61	254,883.84

For and on behalf of the Board of Directors,

Sailesh C. Mehta

Chairman and Managing Director

DIN: 00128204)

Place: Pune

Date: 16th May 2023

* * * * *

B. K. Khare & Co. Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

INDEPENDENT AUDITORS' REPORT

To the members of Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

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

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note 42 of the Financial Statements dealing with assessment and demand orders of Rs. 486 crores (including interest and net of consequential MAT credit available), issued under Section 153A of the Income-tax Act, 1961 and the appeals filed thereagainst by the Company. The same have been disclosed as contingent liabilities. Our opinion is not modified in respect of this matter.



B. K. Khare & Co.

Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Key Audit Matter	Response to Key Audit Matter
<p>Revenue recognition</p> <p>Revenue is measured at the transaction price as reduced by dealer discounts and other similar allowances.</p> <p>Subsidy income is booked as revenue when the sale to dealer/retailer is recognised and is subject to the Company ensuring with compliance with relevant regulatory requirements.</p> <p>Volume discounts are assessed based on anticipated sales. Further, timing of revenue recognition is dependent on the shipping terms agreed with customers in relation to passing of risk and rewards of ownership.</p> <p>The application of Indian accounting standard (Ind AS 115) involves significant judgements /material estimates relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to measure revenue recognised.</p> <p>Refer Note 2(e) of the Financial Statements</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none">• Understood the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes.• Analysed and discussed with management significant contracts including contractual terms and conditions related to discounts, incentives, and rebates.• Reviewed the relevant estimates made in connection with volume discounts and its accounting treatment in the books of account.• Performed procedures to ensure that subsidy is correctly and timely booked as revenue at the rates prescribed by the Department of Fertilizers and in the correct period.• Performed cut-off procedures to ensure that revenue is accounted in the correct period.• Selected a sample of contracts and performed the following procedures:<ul style="list-style-type: none">(a) Analysed and identified the distinct performance obligations in these contracts.(b) Compared such performance obligations with that identified and recorded by the Company.(c) Reviewed contracts terms to determine the transaction price including any variable consideration to determine the appropriate transaction price for computing revenue and to test the basis of estimation of the variable consideration.• Reviewed disclosures included in the notes to the accompanying Financial Statements.



Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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



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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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

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

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



B. K. Khare & Co.

Chartered Accountants

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 40A of the Financial Statements;



B. K. Khare & Co.
Chartered Accountants

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;
- (v) The Company has not declared /paid/declared and paid any dividend during the year; and
- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company’s accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTOF8071
Place: Mumbai
Date: May 16, 2023



Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)** ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to 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.

Auditors' Responsibility

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

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

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



B. K. Khare & Co.

Chartered Accountants

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXTOF8071
Place: Mumbai
Date: May 16, 2023



B. K. Khare & Co.

Chartered Accountants

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
 - (b) The property, plant and equipment and investment property are physically verified by the Company once in two years. The physical verification of property, plant and equipment and investment property was conducted during the previous year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment property.
 - (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company except as disclosed in Notes 3 and 5 of the Financial Statements.
 - (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) According to the information and explanations given to us, the inventory comprising of raw materials, finished goods, traded goods, packing materials and stores and spares has been physically verified at reasonable intervals by the management 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 on such verification between the physical inventory and the book records.
 - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of inventory and trade receivables during the year. The stock statements / book debt statements filed by the Company with banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.



B. K. Khare & Co.
Chartered Accountants

3. (a) According to the information and explanations given to us, during the year, the Company has not provided any guarantee or security to any company, firm, Limited Liability Partnerships or any other parties. During the year, the Company has provided a loan to its subsidiary company, the details of which are as under:

Particulars	Loans given during the year
Aggregate amount during the year and Balance outstanding as at the Balance Sheet date	
- Performance Chemiserve Limited, Subsidiary Company	Loan given of Rs. 3,000 lakhs Balance outstanding as at the Balance Sheet date Rs. 3,024 lakhs (including interest of Rs. 24 lakhs)

- (b) According to the information and explanations given to us, the terms and conditions of the loan provided by the Company to its subsidiary company during the year are not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us, the loan granted to subsidiary companies in earlier years is repayable on demand and the loan granted to a subsidiary company in the current year is not yet due. Accordingly, the reporting under Clause 3(iii)(c) of the Order relating to regularity of repayment of principal amount and payment of interest is not applicable to the Company.
- (d) According to the information and explanations given to us, the principal and interest amount of the loans granted by the Company to its subsidiary companies mentioned above are not overdue. Accordingly, the reporting under Clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the loans granted to the subsidiary companies mentioned above have not fallen due during the year. Accordingly, the reporting under Clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, during the year, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the reporting under Clauses 3(iii)(f) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to investment made and loan granted by the Company during the year. The Company has not provided any guarantee or security to the parties covered under Sections 185 and 186 of the Act during the year.
5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.



B. K. Khare & Co. Chartered Accountants

6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident Fund, Employees' State Insurance, Service tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Goods and Services Tax, Sales tax, Value Added Tax and Income-tax as at March 31, 2023, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the Statute	Nature of the dues	Amount (Rupees in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Andhra Pradesh Value added Tax Act, 2005	Value Added Tax	1,039	Financial Years 2001-2002 to 2003-2004 and 2008-2009 to 2014-2015	Hon'ble High Court, Andhra Pradesh
	Value Added Tax	96	Financial Years 2015-2016 to 2017-2018	Andhra Pradesh VAT Appellate Tribunal
The Central Sales Tax Act, 1956	Central Sales Tax	17	Financial Year 2013-2014	Appellate Joint Commissioner
	Central Sales Tax	16	Financial Year 2012-2013	Andhra Pradesh VAT Appellate Tribunal



B. K. Khare & Co. Chartered Accountants

Name of the Statute	Nature of the dues	Amount (Rupees in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
	Central Sales Tax	56	Financial Years 2008-2009 to 2011-2012	Hon'ble Andhra Pradesh High Court
The Odisha Goods and Services Tax Act, 2017	Goods and Services Tax	653	Commercial Tax and GST Officer, Circle – Bhubaneswar	Financial Year 2017-2018
The Income-tax Act, 1961	Income-tax	51,524	Assessment Years 2015-2016 to 2020-2021	Commissioner of Income-tax (Appeals)

*Net of amounts paid/adjusted including under protest Rs. 8,336 lakhs.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.
 - (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
 - (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
 - (e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company does not have any joint ventures or associate companies.
 - (f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Further, the Company does not have any joint ventures or associate companies.
10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.



B. K. Khare & Co. Chartered Accountants

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year. According to the information and explanations given to us, the Company has made private placement of optionally convertible debentures during the year in respect of which the Company has complied with the requirements of Section 42 of the Act and the funds raised have been used for the purposes for which the funds were raised.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.



B. K. Khare & Co.
Chartered Accountants

- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has no Core Investment Companies.
17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.
18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has transferred the unspent amount of Rs. 189 lakhs to a Fund specified in Schedule VII to the Act till the date of the Auditors' Report in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Himanshu Goradia
Partner
Membership No. 045668
UDIN: 23045668BGXT0F8071
Place: Mumbai
Date: May 16, 2023



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Balance Sheet as at 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	77,553	1,18,300
Capital work-in-progress	4	2,356	47,692
Investment property	5	461	461
Right of use assets	6	2,999	7,208
Goodwill		30,146	77,192
Other intangible assets	7	22,205	61,242
Financial assets			
i. Investments in subsidiaries	8	1,383	1,40,819
ii. Other Investments	9	3	3
iii. Other financial assets	14(a)	290	1,312
Deferred tax assets (net)	25	24,187	-
Income tax assets (net)	14(b)	2,700	630
Other non-current assets	15	2,836	2,255
Total non-current assets		1,67,119	4,57,114
Current assets			
Inventories	16	87,226	88,635
Financial assets			
i. Investments	8(a)	45,377	52,925
ii. Trade receivables	10	1,11,228	46,141
iii. Cash and cash equivalents	12	19,027	6,846
iv. Other bank balances	13	17,148	470
v. Loans	11	165	189
vi. Other financial assets	14(a)	3,590	1,023
Other current assets	17	10,922	10,302
Total current assets		2,94,683	2,06,511
Assets classified as held for sale on account of discontinued operation	50	4,23,975	-
Total assets		8,85,777	6,63,625
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,705	1,705
Other equity	19	4,14,126	3,26,651
Total equity		4,15,831	3,28,356
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	20	93,158	1,68,238
ii. Lease liabilities	6	3,032	2,977
iii. Other financial liabilities	22	6,342	6,185
Provisions	23	1,816	3,391
Deferred tax liabilities (net)	25	-	3,320
Total non-current liabilities		1,04,348	1,84,111
Current liabilities			
Financial liabilities			
i. Borrowings	21	22,738	14,856
ii. Lease liabilities	6	519	621
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises	24	2,971	4,240
(b) total outstanding dues of creditors other than micro and small enterprises	24	1,07,428	1,05,766
iv. Other financial liabilities	22	7,170	15,702
Other current liabilities	26	6,512	8,926
Provisions	23	376	644
Current tax liabilities (net)	14(b)	4,641	403
Total current liabilities		1,52,355	1,51,158
Liabilities directly associated with discontinued operation	50	2,13,243	-
Total liabilities		4,69,946	3,35,269
Total equity and liabilities		8,85,777	6,63,625

The accompanying notes form an integral part of the financial statements.

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As per our report of even date attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 16 May 2023



S. C. Mehta
Chairman
DIN: 00128204

Y. S. Mehta
Director
DIN: 07866312

Place: Pune
Date: 16 May 2023

Amitabh Bhargava
Chief Financial Officer

Pankaj Gupta
Company Secretary
Membership No. F-9219



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Continuing operations:			
Income			
Revenue from operations	27	5,16,465	3,26,753
Other income	28	3,918	1,244
Total income		5,20,383	3,27,997
Expenses			
Cost of materials consumed	29	3,34,676	2,20,248
Purchases of stock-in-trade	30	98,556	49,507
Changes in inventories of finished goods and stock-in-trade	31	(20,959)	(20,624)
Employee benefits expense	32	16,089	13,948
Finance costs	33	16,973	10,826
Depreciation and amortisation expense	34	10,386	8,685
Other expenses	35	47,170	37,583
Total expenses		5,02,891	3,20,173
Profit before tax from continuing operations		17,492	7,824
Tax expense			
Current tax		2,660	2,486
Deferred tax		1,264	(2,441)
Total tax expense		3,924	45
Profit for the year from continuing operations		13,568	7,779
Discontinued operation:			
Revenue from operations	50	3,78,612	2,27,726
Other income		1,462	1,954
Total expenses		2,64,783	1,69,831
Profit before tax from discontinued operation		1,15,291	59,849
Tax expense of discontinued operation		41,604	23,224
Profit for the year from discontinued operation		73,687	36,625
Profit for the year from continuing and discontinued operations		87,255	44,404
Other comprehensive income from continuing operations (OCI)			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations		67	(36)
Income tax relating to these items		(24)	12
		43	(24)
Other comprehensive income from discontinued operation (OCI)			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations		36	(19)
Income tax relating to these items		(13)	7
		23	(12)
Total other comprehensive income from continuing and discontinued operations		66	(36)
Total comprehensive income for the year, net of tax		87,321	44,368

Earnings per equity share of Rs. 10 each (Previous year: Rs.10)	49		
Earnings per share for continuing operations			
Basic and Diluted (in Rs.)		79.58	45.62
Earnings per share for discontinued operation			
Basic and Diluted (in Rs.)		432.18	214.81
Earnings per share for continuing and discontinued operations			
Basic and Diluted (in Rs.)		511.76	260.43

The accompanying notes form an integral part of the financial statements. 1 - 53

As per our report of even date attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

S. C. Mehta
Chairman
DIN: 00128204

Amitabh Bhargava
Chief Financial Officer

Himanshu Goradia
Partner
Membership No. 045668



Y. S. Mehta
Director
DIN: 07866312

Pankaj Gupta
Company Secretary
Membership No. F-9219



Place: Mumbai
Date: 16 May 2023

Place: Pune
Date: 16 May 2023

Handwritten signature

Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Statement of Cash Flows for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Profit before tax from continuing operations	17,492	7,824
Profit before tax from discontinued operation	1,15,291	59,849
Adjustments for -		
Depreciation and amortisation expense	20,446	18,729
Loss/(Gain) on disposal of property, plant and equipment (net)	2	(4)
Provision for doubtful trade receivables	(233)	913
Bad Debts written off	361	38
Income of financial guarantee	(99)	(758)
Net gain on sale of investments	(2,016)	(825)
Changes in fair value of financial assets at fair value through profit or loss	(307)	(33)
Finance cost on financial guarantee	756	-
Unrealised loss/(gain) on embedded derivative contracts	-	304
Dividend income	(913)	(1,052)
Interest income	(1,580)	(183)
Finance costs	23,137	14,485
Unrealised foreign exchange fluctuations (gain)/loss (net)	(67)	502
Cash generated from operations before working capital changes	1,72,270	99,789
Change in trade receivables	(1,01,718)	25,336
Change in inventories	(17,980)	(42,130)
Change in trade payables	36,158	852
Change in other financial liabilities	10,281	8,914
Change in other financial assets	(2,892)	794
Change in other non-current assets	(2,798)	134
Change in other current assets	(11,057)	(226)
Change in provisions	(67)	(158)
Change in other current liabilities	(1,784)	5,271
Cash generated from operations	80,413	96,576
Income taxes paid (net)	(42,286)	(24,028)
Net cash from operating activities	38,127	74,548
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets (including capital work-in-progress)	(20,742)	(23,238)
Proceeds from sale of property, plant and equipment	7	32
Investment in equity shares of subsidiary	(30,001)	(69,999)
Purchase of investments	(6,66,973)	(4,45,719)
Proceeds from sale of investments	6,76,844	4,28,202
Inter corporate deposits to subsidiaries and loans to employees	(3,036)	-
Repayment of inter corporate deposit by subsidiary	-	240
Fixed deposits placed	(76,268)	(1,226)
Fixed deposits matured	59,218	756
Dividends received from a subsidiary	913	1,052
Interest received	1,268	239
Net cash used in investing activities	(58,770)	(1,09,661)
Cash flow from financing activities		
Proceeds from borrowings - current	8,278	11,035
Repayment of borrowings - current	-	(18,535)
Proceeds from borrowings - non current	40,265	22,380
Repayment of borrowings - non current	(10,856)	(7,899)
Proceeds from borrowings - From related party	37,500	52,878
Repayment of borrowings - From related party	(20,205)	(5,000)
Payment of lease liability	(850)	(831)
Interest paid	(21,308)	(19,571)
Net cash from financing activities	32,824	34,457
Net increase/(decrease) in cash and cash equivalents	12,181	(656)
Cash and cash equivalents at the beginning of the year	6,846	7,502
Cash and cash equivalents at end of the year	19,027	6,846

The accompanying notes form an integral part of the financial statements.

Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".
- The disclosures related to net cash flows attributable to operating, investing and financing activities of discontinuing operation are given in Note 50 of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 16 May 2023



S. C. Mehta
Chairman
DIN: 00128204

Y. S. Mehta
Director
DIN: 07866312

Place: Pune
Date: 16 May 2023

Amitabh Bhargava
Chief Financial Officer

Pankaj Gupta
Company Secretary
Membership No. F-9215



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	1,705	1,705
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	1,705	1,705
Changes in equity share capital during the year	-	-
Balance as at the end of the year	1,705	1,705

B. Other Equity

	Reserves and surplus					Other reserves	Total
	Securities premium	Retained earnings	General reserve	Capital redemption reserve	Equity Component of compound financial instrument*	Post-employment benefit obligation, net of tax	
Balance as at 1 April 2021	2,49,807	29,618	157	1,800	1,657	(756)	2,82,283
Changes in accounting policy or prior period error	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	2,49,807	29,618	157	1,800	1,657	(756)	2,82,283
Profit for the year	-	44,404	-	-	-	-	44,404
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	(36)	(36)
Total comprehensive income for the year	-	44,404	-	-	-	(36)	44,368
Financial guarantee liability	-	-	-	-	-	-	-
Balance as at 31 March 2022	2,49,807	74,022	157	1,800	1,657	(792)	3,26,651
Changes in accounting policy or prior period error	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	2,49,807	74,022	157	1,800	1,657	(792)	3,26,651
Profit for the year	-	87,255	-	-	-	-	87,255
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	66	66
Total comprehensive income for the year	-	87,255	-	-	-	66	87,321
Financial guarantee liability	-	-	-	-	154	-	154
Balance as at 31 March 2023	2,49,807	1,61,277	157	1,800	1,811	(726)	4,14,126

Notes: *(1) Equity component of the Guarantee issued by holding company accounted for on fair value basis.
(2) Refer Note 19 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 16 May 2023



For and on behalf of the Board of Directors

S. C. Mehta
Chairman
DIN: 00128204

Y. S. Mehta
Director
DIN: 07866312

Place: Pune
Date: 16 May 2023

Amitabh Bhargava
Chief Financial Officer

Pankaj Gupta
Company Secretary
Membership No. F9219



Y.S. Mehta

Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

Note 1: The Company and Nature of its Operations:

Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited) ("the Company") is a Company domiciled in India, having its corporate office in Pune, Maharashtra, India. The Company is a public limited company. The Company is primarily engaged in the business of fertilisers, agri services and mining chemicals.

Note 2: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation:

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle 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 the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or 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 respectively.



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

ii. Historical cost convention

- a) The Financial Statements have been prepared on historical cost basis, except the following:
- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
 - Assets held for sale – measured at fair value less cost to sell; Defined benefit plans – plan assets measured at fair value; and
- b) The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construe value less than Rs 50,000.

(b) Significant accounting estimates, assumptions and judgements.

The preparation of the financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures, and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of Property, plant and equipment ('PPE') & intangible assets

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period.

The factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Intangible assets, including Goodwill are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, including goodwill, the assessment of indefinite life is reviewed annually based on the expectancy and estimation of future economic benefits arising from it to determine whether it continues. If not, it is impaired or changed prospectively based on revised estimates.

Defined benefit plans

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

Litigation

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

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 Discounted Cash flow ("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 their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

(c) Segment reporting

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

(d) Foreign currency translation

The financial statements are presented in functional and presentation currency of the Company. On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(e) Revenue recognition

Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers

Sale of Goods:

The Company recognizes revenue from sale of goods upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price of goods sold and is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

Sale of Services:

Sale of services is recognised on satisfaction of performance obligation towards rendering of such services.

Interest and dividend income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(f) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income ("OCI") or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company's lease asset classes primarily consist of leases for Buildings and Equipments. The Company assesses whether a contract is or 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. 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 lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

Lease contracts entered by the Company majorly pertains for buildings & equipments taken on lease to conduct its business in the ordinary course.

(h) Business Combinations:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. The assets and liabilities of combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values or recognize any new assets or liabilities.

Consideration for business combination may consist of securities, cash or other assets. Securities are recorded at nominal value. In determination of the value of consideration, assets other than cash are considered at their fair values. The difference between any consideration given and the aggregate carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(i) Impairment of financial assets

The Company assesses on a forward booking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(j) 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 that the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

(k) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(l) Inventories

- Raw materials are valued at lower of moving weighted average cost and net realisable value. However these items are written down to realisable value if the costs of the related finished goods is not expected to recover the cost of raw materials.
- Stores, regular spares, oil, chemicals, catalysts and packing material are valued at moving weighted average cost.
- Cost of inventory of materials is ascertained net of applicable GST credits.
- Finished goods including those held for captive consumption are valued at lower of factory cost or net realisable value.
- Stock-in-trade is valued at lower of cost and net realisable value.
- Value of Work-in-Process of all products is ignored for the purpose of inventory having regard to the concept of materiality and difficulty of quantifying such stocks with exactitude.

(m) Investments and other financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories:



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company initially records at cost all equity investments measures them at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

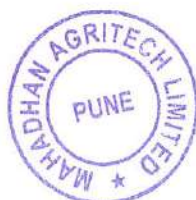
Derivatives & Hedging:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from

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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/ (losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the interest expenditure is recorded).

Derivatives that are not designated as hedges:

The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges as in case of such transactions, the underlying is re-stated at closing exchange rates. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(n) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013. As per requirements of the Companies Act, 2013 the Company has also identified significant components of the assets and its useful life based on the internal technical evaluation. Depreciation charge on such components is based on its useful life. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule – II of the Companies Act, 2013.

Name of Assets	Estimated Useful Life
Computers - Servers and Networks	3 Years to 6 Years
End User Devices such as, desktops, laptops etc.	3 Years to 6 Years
Vehicles	4 Years for employees vehicles and 6-7 Years for other vehicles
Buildings other than Factory Buildings RCC Frame Structure	61 Years
Plant and Machinery	Various estimated life up to 21 years. WNA III plant at the rate of 25.88% on WDV basis



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

- Depreciation for assets purchased/sold during a period is proportionately charged.
- Depreciation on exchange rate variances capitalised as part of the cost of Fixed Assets, has been provided prospectively over the residual useful life of the assets.
- Capitalised machinery Spares are depreciated over remaining useful life of the related machinery/equipment. Costs of such spares are charged to the Statement of Profit and Loss when issued for actual use at written down value.

(o) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

The useful life has been determined based on technical evaluation performed by the management's expert.

(p) Intangible assets

Goodwill:

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Company's of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Company's units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(t) Provisions

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(u) Changes in significant accounting policies

There have been no changes in accounting policies during the financial year 2022-23

(v) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes: defined benefit plans such as gratuity, pension, post-employment medical plans; and defined contribution plans such as provident fund.

Gratuity and retirement benefit obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity and retirement benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.

(w) Earnings per share

Basic earnings per share is computed by dividing the net profit 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.



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Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

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

(x) Cash Dividend

The Company recognizes a liability to make cash distribution to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

(y) Recent Pronouncements

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

ii. Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates.'

iii. Ind AS 12 – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022.

The Company is currently assessing the impact of application of these amendments on its financial statements.



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Note 3: Property, Plant and Equipment

	Freehold Land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
Gross carrying amount									
As at 1 April 2021	2,593	20,807	1,45,795	2,830	290	1,090	363	711	1,74,479
Additions	-	156	10,013	14	11	326	30	158	10,708
Disposals	-	-	(26)	-	-	(17)	-	(97)	(140)
Gross carrying amount as at 31 March 2022	2,593	20,963	1,55,782	2,844	301	1,399	393	772	1,85,047
Accumulated depreciation									
Balance as at 1 April 2021	-	(4,164)	(47,783)	(1,324)	(201)	(840)	(191)	(495)	(54,998)
Depreciation charge for the year for continued operations	-	(686)	(5,221)	(134)	(11)	(65)	(42)	(79)	(6,238)
Depreciation charge for the year for discontinued operation	-	(152)	(5,334)	(13)	(4)	(75)	(10)	(33)	(5,621)
On disposals	-	-	18	-	-	16	-	76	110
Accumulated depreciation as at 31 March 2022	-	(5,002)	(58,320)	(1,471)	(216)	(964)	(243)	(531)	(66,747)
Net carrying amount as at 31 March 2022	2,593	15,961	97,462	1,373	85	435	150	241	1,18,300
Gross carrying amount									
As at 1 April 2022	2,593	20,963	1,55,782	2,844	301	1,399	393	772	1,85,047
Additions	-	1,331	12,263	544	13	173	56	261	14,641
Disposals	-	(37)	-	-	-	(2)	-	(17)	(56)
Transferred to discontinued operation	(859)	(6,099)	(73,315)	(1,496)	(196)	(646)	(84)	(310)	(83,005)
Gross carrying amount as at 31 March 2023	1,734	16,158	94,730	1,892	118	924	365	706	1,16,627
Accumulated depreciation									
Balance as at 1 April 2022	-	(5,002)	(58,320)	(1,471)	(216)	(964)	(243)	(531)	(66,747)
Depreciation charge for the year for continued operations	-	(985)	(5,570)	(137)	(11)	(76)	(17)	(60)	(6,856)
Depreciation charge for the year for discontinued operation	-	(257)	(5,569)	(51)	(4)	(94)	(10)	(63)	(6,048)
On disposals	-	9	-	-	-	2	-	9	20
Transferred to discontinued operation	-	2,156	36,699	893	156	432	58	163	40,557
Accumulated depreciation as at 31 March 2023	-	(4,079)	(32,760)	(766)	(75)	(700)	(212)	(482)	(39,074)
Net carrying amount as at 31 March 2023	1,734	12,079	61,970	1,126	43	224	153	224	77,553

Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	Land at Panipat, Haryana	1,735	Deepak Fertilisers and Petrochemicals Corporation Limited	No	1 April 2015	Adjudication Pending



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

Note 4: Capital Work-in-Progress

	As at 31 March 2023	As at 31 March 2022
Projects (Mainly comprising of buildings and plant and equipment) #	-	36,705
Others	2,356	10,987
Total	2,356	47,692

Includes borrowing cost of - Nil for continuing operations (31 March 2022 Rs. 11,050 Lakhs).

(a) Ageing schedule Capital-work-in progress:

CWIP	As at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	1,591	315	415	35	2,356

CWIP	As at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	4,207	2,276	-	41,209	47,692

Note 5: Investment Property

	As at 31 March 2023	As at 31 March 2022
Gross carrying amount		
Opening gross carrying amount	461	461
Additions	-	-
Closing gross carrying amount	461	461
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	461	461

Fair value

	As at 31 March 2023	As at 31 March 2022
Investment property	989	989

(a) Disclosures relating to fair valuation of investment property

Fair value of the above investment property as at 31 March 2023 is Rs. 989 Lakhs (31 March 2022 : Rs. 989 Lakhs).

Fair value Hierarchy

The fair value of investment property has been determined by an external, independent property valuer, having appropriate recognised professional qualifications and relevant experience in the category of the land parcel being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The investment property constitutes agriculture land at Nashik.

Description of valuation technique used

The Company obtains independent valuation of its investment property as per requirement of Ind AS 40. The fair value of the investment property has been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length transaction or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

(b) The Company has not earned any rental income on the above properties.

Title deed of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date and reason for not being held in the name of the company
Freehold Land	Land at Nasik , Maharashtra	461	Deepak Fertilisers and Petrochemicals Corporation Limited	No	1 April 2015 Adjudication pending



Note 6: Leases

A. Right of use assets

Particulars	Land and Building	Office Equipment	Furniture and Fixtures	Leasehold Land	Total
Balance as at 1 April 2021	1,202	3,924	-	1,091	6,217
Add: Addition during the year	-	-	-	3,187	3,187
Gross carrying amount as on 31 March 2022	1,202	3,924	-	4,278	9,404
Accumulated amortisation as at 1 April 2021	(474)	(1,032)	-	(19)	(1,525)
Add: Amortisation for the year for continued operations	-	(418)	-	-	(418)
Add: Amortisation for the year for discontinued operations	(237)	-	-	(16)	(253)
Closing accumulated amortisation as at 31 March 2022	(711)	(1,450)	-	(35)	(2,196)
Balance as at 31 March 2022	491	2,474	-	4,243	7,208
Balance as at 1 April 2022	1,202	3,924	-	4,278	9,404
Add: Addition during the year	572	3,886	18	-	4,476
Transferred to discontinued operations	(572)	(647)	-	(4,278)	(5,497)
Less: Adjustment	(1,202)	(3,924)	-	-	(5,126)
Gross carrying amount as on 31 March 2023	-	3,239	18	-	3,257
Accumulated amortisation as at 1 April 2022	(711)	(1,450)	-	(35)	(2,196)
Add: Amortisation for the year for continued operations	-	(499)	(3)	-	(502)
Add: Amortisation for the year for discontinued operations	(256)	(97)	-	(16)	(369)
Transferred to discontinued operations	118	97	-	51	266
Less: Adjustment	849	1,694	-	-	2,543
Closing accumulated amortisation as at 31 March 2023	-	(255)	(3)	-	(258)
Balance as at 31 March 2023	-	2,984	15	-	2,999

B. Lease liabilities

Particulars	31 March 2023	31 March 2022
Opening Balance	3,598	4,043
Add: Addition during the year	918	-
Add: Finance charge for the period	444	386
Less: Lease rental paid	(850)	(831)
Transferred to discontinued operations	(559)	-
Closing balance	3,551	3,598

Particulars	31 March 2023	31 March 2022
Current	519	621
Non Current	3,032	2,977
Total	3,551	3,598

C. Interest expenses on lease liabilities

Particulars	31 March 2023	31 March 2022
Interest on lease liabilities	335	386

D. Expenses on short term leases / low value assets

Particulars	31 March 2023	31 March 2022
Short term lease	1,033	916
Low value assets	-	-

E. Amounts recognised in the statement of cash flow

Particulars	31 March 2023	31 March 2022
Total cash outflow for leases	(850)	(831)

F. Maturity analysis – contractual undiscounted cash flows

Particulars	31 March 2023	31 March 2022
Less than one year	519	621
One to five years	3,032	2,977
More than five years	-	-
Total undiscounted lease liabilities	3,551	3,598

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

Note: 7 Other Intangible Assets

	Computer Software	Technical Know How/ Engineering Fees	License/ Franchise Fees	Other Intangible Asset	Brand	Total
Gross carrying amount as on 1 April 2021	1,386	328	1,109	4,031	93,704	1,00,558
Additions	77	-	34	-	-	111
Disposals/ Transfers/ Adjustments	-	-	-	-	-	-
Gross carrying amount as on 31 March 2022	1,463	328	1,143	4,031	93,704	1,00,669
Additions	18	-	-	-	-	18
Disposals/ Transfers/ Adjustments	-	-	-	-	-	-
Transferred to discontinued operations	(33)	-	(169)	(2,457)	(57,105)	(59,764)
Gross carrying amount as on 31 March 2023	1,448	328	974	1,574	36,599	40,923
Accumulated Amortisation						
Accumulated amortisation as at 1 April 2021	729	189	1,058	4,031	28,486	34,493
Amortisation charge for the year for continued operations	137	18	8	-	1,866	2,029
Amortisation charge for the year for discontinued operations	3	4	9	-	2,889	2,905
Disposals	-	-	-	-	-	-
Closing accumulated amortisation as at 31 March 2022	869	211	1,075	4,031	33,241	39,427
Amortisation charge for the year for continued operations	150	117	12	-	1,866	2,145
Amortisation charge for the year for discontinued operations	3	-	34	-	2,889	2,926
Disposals	-	-	-	-	-	-
Transferred to discontinued operations	(25)	-	(158)	(2,457)	(23,140)	(25,780)
Closing accumulated amortisation as at 31 March 2023	997	328	963	1,574	14,856	18,718
Net Block as at 31 March 2023	451	-	11	-	21,743	22,205
Net Block as at 31 March 2022	594	117	68	-	60,463	61,242



FINANCIAL ASSETS

Note 8: Investment in subsidiaries - non-current

	As at 31 March 2023	As at 31-03-2022
Investments in equity shares (unquoted) of subsidiaries (fully paid-up)		
72,800 (31 March 2022 : 72,800) equity shares of Platinum Blasting Services Pty Ltd of AUD 100 each fully paid up	-	3,769
10,000 (31 March 2022 : 10,000) equity shares of Mahadhan Farm Technologies Private Limited of Rs. 10 each	1,383	1,383
180,784 (31 March 2022 : 152,526) equity shares of Performance Chemiserve Limited of Rs. 10 each	-	1,33,460
Deemed investment in Performance Chemiserve Limited*	-	2,207
Total (equity instruments)	1,383	1,40,819
Total	1,383	1,40,819
Aggregate amount of unquoted investments	1,383	1,40,819

*Deemed investment is on account of accounting done in books for fair valuation of corporate guarantee issued to banks on behalf of subsidiary company.

Note 8(a): Current investments

	As at 31 March 2023	As at 31-03-2022
Unquoted		
Investment in mutual funds (carried at fair value through profit and loss)	45,377	52,925
Total	45,377	52,925

Note 9 : Other Investments

	As at 31 March 2023	As at 31-03-2022
Investment in equity shares (quoted) (fully paid-up) (fair value through profit and loss)		
4,715 (31 March 2022 : 4,715) equity shares of Punjab National Bank	3	3
Total	3	3

Note 10: Trade receivables

	As at 31 March 2023	As at 31-03-2022
Trade Receivables		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	1,11,228	46,141
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired Unsecured	1,700	5,031
Less: Impairment loss allowance	(1,700)	(5,031)
Total	1,11,228	46,141

Movement in allowance for expected credit loss:

	As at 31 March 2023	As at 31-03-2022
Balance as at the beginning of the year	5,031	4,118
Less: Transferred to discontinued operations	(3,510)	-
Add: Allowance for expected credit loss	179	954
Less: Utilised during the year	-	(41)
Balance as at the end of the year	1,700	5,031



Particulars	Outstanding for following periods from due date of payment as on 31 March 2023					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,08,694	2,175	199	11	149	1,11,228
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	96	70	53	203	1,278	1,700
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(96)	(70)	(53)	(203)	(1,278)	(1,700)
Total	1,08,694	2,175	199	11	149	1,11,228

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022					
	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	45,542	147	217	235	-	46,141
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	41	13	238	3,283	1,456	5,031
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance	(41)	(13)	(238)	(3,283)	(1,456)	(5,031)
Total	45,542	147	217	235	-	46,141

Note 11: Loans

	As at 31 March 2023		As at 31-03-2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Inter corporate deposits to subsidiaries (Refer Note 43)	122	-	122	-
Loan to employees	43	-	47	-
Total	165	-	169	-

Disclosures of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person

Repayable on demand	As at 31 March 2023		As at 31-03-2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Parties	122	73.94%	122	72.19%

Note 12: Cash and cash equivalents

	As at 31 March 2023	As at 31-03-2022
Balances with banks in current accounts	6,527	6,564
Deposits with original maturity up to three months	12,500	281
Cash on hand*	-	1
Total	19,027	6,846

*Rs. 30,824 for current year.



Note 13: Other bank balances

	As at 31 March 2023	As at 31-03-2022
Deposits with maturity of more than 3 months up to 12 months from the reporting date	17,148	470
Total	17,148	470

Note 14(a): Other financial assets

	As at 31 March 2023		As at 31-03-2022	
	Current	Non Current	Current	Non Current
(i) Derivatives				
Derivatives not designated as hedges	-	-	701	-
(ii) Others				
Interest receivable	336	-	36	-
Deposit with banks with maturity more than twelve months from the reporting date	-	-	-	136
Financial guarantee asset	86	91	285	494
Security deposits	-	199	-	682
Incentive receivable	3,167	-	-	-
Others	1	-	1	-
Total	3,590	290	1,023	1,312

Note 14(b): Tax assets and liabilities

	As at 31 March 2023	As at 31-03-2022
Non current tax assets (net)	2,700	630
Current tax liabilities (net)	(4,641)	(403)

Note 15: Other non-current assets

	As at 31 March 2023	As at 31-03-2022
Capital advances	1,310	1,575
Balance with government authorities	755	577
Stamp duty paid under protest	743	-
Prepaid expenses	28	103
Total	2,836	2,255

Note 16: Inventories

	As at 31 March 2023	As at 31-03-2022
Raw materials [Includes Rs. 57 Lakhs (31 March 2022 Rs. 12,879 Lakhs) in transit]	22,486	37,015
Finished goods	41,848	31,068
Stock-in-trade	15,997	6,169
Stores and spares [Includes - Nil (31 March 2022 Rs. 281 Lakhs) in transit]	5,666	12,277
Packing materials	1,229	2,106
Total	87,226	88,635

Note 17: Other current assets

	As at 31 March 2023	As at 31-03-2022
Advances for supply of goods and services	2,879	2,393
Balances with government authorities	7,528	7,143
Prepaid expenses	414	983
Other receivables	101	83
Total	10,922	10,302



Note 18: Equity share capital

	As at 31 March 2023	As at 31-03-2022
Authorised		
3,55,00,000 equity shares of Rs. 10 each (31 March 2022: 3,55,00,000 equity shares of Rs. 10 each)	3,550	3,550
18,00,000 1% cumulative redeemable preference shares of Rs.100 each. (31 March 2022: 18,00,000 cumulative redeemable preference shares of Rs.100 each.)	1,800	1,800
	5,350	5,350
Issued, subscribed and fully paid-up share capital		
1,70,50,000 equity shares of Rs. 10 each (31 March 2022: 1,70,50,000 equity shares of Rs 10 each)	1,705	1,705
Fully paid-up share capital as at the year end	1,705	1,705

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the year end

	As at 31 March 2023		As at 31-03-2022	
	No of Shares	Amount	No of Shares	Amount
Equity Shares				
Balance as at the beginning and at the end of the year	1,70,50,000	1,705	1,70,50,000	1,705
Add: Issued during the year	-	-	-	-
	1,70,50,000	1,705	1,70,50,000	1,705

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Holder of each equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2023		As at 31-03-2022	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertilisers and Petrochemicals Corporation Limited	1,70,49,994	99.99%	1,70,49,987	99.99%

	As on 31 March 2023		As on 31 March 2022		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
(iii) Shares held by promoters at the end of the year					
Promoter Name					
Class of Shares : Equity shares of Rs. 10 each					
1) Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)	1,70,49,994	99.9999648	1,70,49,987	99.9999238	0.00004
2) DFPCL and S. C. Mehta	1	0.0000059	1	0.0000059	-
3) DFPCL and Parul Sailesh Mehta	1	0.0000059	1	0.0000059	-
4) DFPCL and Rajvee Sailesh Mehta	1	0.0000059	-	-	0.00001
5) DFPCL and Yeshil Sailesh Mehta	1	0.0000059	-	-	0.00001
6) DFPCL and Raghuraman Sriraman	1	0.0000059	2	0.0000117	(0.00001)
7) DFPCL and Pankaj Gupta	1	0.0000059	-	-	0.00001
8) DFPCL and Dilesh H Mehta	-	-	1	0.0000059	(0.00001)
9) DFPCL and A P Shah	-	-	1	0.0000059	(0.00001)
10) DFPCL and T K Chatterjee	-	-	1	0.0000059	(0.00001)
11) DFPCL and Rohit P Shah	-	-	1	0.0000059	(0.00001)
12) DFPCL and Deepak Desai	-	-	1	0.0000059	(0.00001)
13) DFPCL and Somnath Patil	-	-	1	0.0000059	(0.00001)
14) DFPCL and Guy Goves	-	-	1	0.0000059	(0.00001)
15) DFPCL and Vivek Y Kelkar	-	-	1	0.0000059	(0.00001)
16) DFPCL and Rajeev Chemburkar	-	-	1	0.0000059	(0.00001)

Note: Shareholders mentioned in Sr. Nos. 2 to 16 are holding shares on behalf of Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL). DFPCL is the beneficial owner of the aforesaid equity shares pursuant to the provisions of Section 89 (1) (2) (3) of the Companies Act, 2013 read with Rule 9(2) of the Companies (Management and Administration) Rules, 2014.



Note 19: Other equity

	As at 21 March 2023	As at 31-03-2022
Securities premium reserve	2,49,807	2,49,807
Capital redemption reserve	1,800	1,800
General reserve	157	157
Retained earnings	1,61,277	74,022
Fair value of financial guarantees	1,811	1,657
Other Comprehensive Income	(726)	(792)
Total	4,14,126	3,26,651

Financial Liabilities

Note 20: Non-current borrowings

	Terms of repayment and Maturity date	Coupon/ Interest rate	As at 31 March 2023	As at 31-03-2022
Secured				
Term loans				
State Bank of India (Loan 1)	Repayable in 28 quarterly instalments starting from June 2017 onwards.	9.95% per annum	5,585	11,921
Export Import Bank of India (Loan 1)		7.95% per annum	1,432	2,860
Bank of Baroda (Loan 2)	Repayable in 20 quarterly instalments starting from June 2023 onwards.	8.30% per annum	39,903	22,380
Export Import Bank of India (Loan 3)	Repayable in 28 quarterly instalments starting from June 2020 onwards.	8.25% per annum	22,733	25,642
External Commercial Borrowing				
Asian Development Bank (Loan 4)	Repayable in 8 semi-annual instalments starting 15/12/2023	6.89% per annum	12,163	-
Unsecured				
Compulsory convertible debentures - International Finance Corporation		8% per annum (IRR - 15.25%)	25,802	23,862
From related party*			-	92,429
Total non-current borrowings			1,07,618	1,79,094
Less: Current maturities of long-term debt (Refer Note 21)			14,460	10,856
Total			93,158	1,68,238



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The term loans from State Bank of India and Export Import Bank of India (Loan 1) have been availed for financing Nitro Phosphate Plant (NPK project). The term loans are secured by pari passu first charge to be created on the entire fixed assets pertaining to NPK project. All present and future immovable and movable fixed assets pertaining to NPK project from Plot K1 to Plot K5, MIDC Industrial Area, Talaja, Dist. Raigad.

The term loan from Bank of Baroda (Loan 2) has been availed to shore up the net working capital of the Company. The term loan is secured by exclusive charge on the immovable property situated at Yerwada Pune belonging to joint operation, Yerwada Investments Limited (YIL). Corporate Guarantee of YIL to the extent of the value of immovable property is offered to Bank of Baroda.

The term loans from Export Import Bank of India (Loans 3) are secured by exclusive charge over the movable fixed assets by way of hypothecation and immovable fixed assets by way of mortgage of the Company situated at Plot No. K8 at MIDC, Talaja.

The External Commercial Borrowing (ECB) from Asian development Bank (Loan 4) has been availed for the purpose of financing the capital expenditure of fertilisers manufacturing plants located at Talaja, Dist. Raigad. The ECB is to be secured by first ranking pari passu charge to be created over NPK assets situated at Talaja, Dist. Raigad.

Note 21: Current borrowings

	As at 31 March 2023	As at 31-03-2022
Secured		
- Current maturities of non-current borrowings	14,460	10,856
- Buyer's credit	8,278	-
	22,738	10,856
Unsecured		
- From related party (Deepak Fertilisers and Petrochemicals Corporation Limited)	-	4,000
Total current borrowings	-	4,000
Total	22,738	14,856

Note 22: Other financial liabilities

	As at 31 March 2023	As at 31-03-2022
Non-current		
Security deposits	6,242	4,947
Embedded Derivative	100	100
Financial Guarantee Liability	-	1,138
Total	6,342	6,185
Current		
Derivatives not designated as hedges	120	-
Interest accrued	1,192	532
Security deposits	1,892	1,825
Capital creditors	780	1,123
Due to directors	2,503	9,449
Financial Guarantee Liability	-	254
Salary payable	681	1,956
Others	2	563
Total	7,170	15,702

Note 23: Provisions

	As at 31 March 2023		As at 31-03-2022	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	202	1,410	357	2,548
Compensated absences	87	359	135	721
Defined pension benefits	87	47	152	122
Total	376	1,816	644	3,391



(A) Defined Contribution Plans

The Company has defined contribution plans such as provident fund, employee state insurance, employee pension scheme and employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	As at 31 March 2023	As at 31-03-2022
Employer's contribution to provident fund	438	708
Employer's contribution to employee's pension scheme	128	218
Employer's contribution to superannuation fund	361	583
Employer's contribution to employee state insurance	5	10
Total	932	1,517

(B) Defined Benefit Plans

(i) Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.80% p.a.) which is determined by reference to market yield of Government bonds at the Balance Sheet date. The retirement age has been considered at 60 years (31 March 2022: 60 years) and mortality table is as per IALM (2012-14) (31 March 2022: IALM (2012-14)).

The estimates of future salary increases considered in actuarial valuation is 8% p.a. (31 March 2022: 8% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India and India First Life Insurance in respect of gratuity scheme of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company and hence not disclosed. The expected rate of return on plan assets is 6.80% p.a. (31 March 2022: 6.60% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at 31 March 2023	As at 31-03-2022
Present value of obligation at the beginning of the year	4,252	3,988
Current service cost	337	310
Interest cost	283	251
Actuarial (gain)/loss	(55)	78
Benefits paid	(173)	(375)
Transferred to discontinued operations	(1,991)	-
Present value of obligation at the end of the year	2,653	4,252

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2023	As at 31-03-2022
Present value of obligation at the end of the year	2,653	4,252
Fair value of plan assets at the end of the year	1,041	1,347
Net (asset)/liabilities recognised in the Balance Sheet	1,612	2,905

Fair value of Plan assets:

Particulars	As at 31 March 2023	As at 31-03-2022
Plan assets at the beginning of the year	1,347	973
Interest Income	104	74
Expected return on plan assets	12	12
Contribution by employer	357	317
Actual benefits paid	-	(29)
Actuarial gain/(loss)	-	-
Transferred to discontinued operations	(778)	-
Plan assets at the end of the year	1,041	1,347

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31-03-2022
Current service cost	337	310
Interest cost	180	177
Transferred to discontinued operations	(229)	-
Expense recognised in the Statement of Profit and Loss	287	487



Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31-03-2022
Remeasurements Cost / (Credit)	(55)	78
Actuarial (gain)/loss	(12)	(12)
Transferred to discontinued operations	22	-
Amount recognised in the Other Comprehensive Income	(46)	66

Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31-03-2022	
	Discount rate		Discount rate	
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	(124)	138	(234)	259

Particulars	As at 31 March 2023		As at 31-03-2022	
	Future salary increase		Future salary increase	
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	111	(102)	213	(197)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant.

(ii) Defined pension benefits

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership, etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.40% p.a. (31 March 2022: 6.90% p.a) which is determined by reference to market yield of Government bonds at the Balance Sheet date. The retirement age has been considered at 60 years (31 March 2022: 60 years) and mortality table is as per IALM (2012-14) (31 March 2022: IALM (2012-14)).

Reconciliation of opening and closing balances of the present value of the defined

Particulars	As at 31 March 2023	As at 31-03-2022
Present value of obligation at the beginning of the year	274	267
Current service cost	38	38
Past service cost	-	-
Interest cost	18	16
Actuarial (gain)/loss	(35)	(11)
Benefits paid	(31)	(36)
Transferred to discontinued operations	(131)	-
Present value of obligation at the end of the year	133	274

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	As at 31 March 2023	As at 31-03-2022
Current service cost	38	38
Past service cost	-	-
Interest cost	18	16
Transferred to discontinued operations	(23)	-
Expense recognised in the Statement of Profit and Loss	33	54

Amount recognised in the other comprehensive income:

Particulars	As at 31 March 2023	As at 31-03-2022
Remeasurements Cost / (Credit)	(35)	(11)
Transferred to discontinued operations	14	-
Amount recognised in the Other Comprehensive Income	(21)	(11)



Sensitivity analysis :

Particulars	As at 31 March 2023		As at 31-03-2022	
	Discount rate		Discount rate	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(33)	46	(69)	97

Note 24: Trade payables

	As at 31 March 2023	As at 31-03-2022
Trade payables		
(a) total outstanding dues of micro and small enterprises	2,971	4,240
(b) total outstanding dues of creditors other than micro and small enterprises	1,07,428	1,05,766
Total	1,10,399	1,10,006

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 31 March 2023	As at 31-03-2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year *		
- Principal amount outstanding (whether due or not) to micro and small enterprises	2,483	3,802
- Interest due thereon	4	5
The amount of interest paid by the Company in terms of section 16 of the MSMED along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-
The amount of payment made to the supplier beyond the appointed day during the year	53,318	48,393
Amount of interest due and payable on delayed payments	163	262
Amount of interest accrued and remaining unpaid as at year end	498	438
The amount of further interest remaining due and payable even in the succeeding year		-

* Principal amount and interest outstanding as on 31 March 2023 is related to continued operations.

Details of Micro and Small Enterprises as defined under the MSMED

To comply with the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, the Company requested its suppliers to confirm whether they are covered as Micro, Small or Medium enterprise as defined in the said Act. Based on the communications received from such suppliers confirming their coverage as such enterprise, the Company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations.

Trade Payables aging schedule

Particulars	As on 31 March 2023 - Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,971	-	-	-	2,971
(ii) Others	1,06,503	553	80	292	1,07,428
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables aging schedule

Particulars	As on 31 March 2022 - Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	3,749	302	104	85	4,240
(ii) Others	1,05,174	13	429	150	1,05,766
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



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Note 25: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	As at 31 March 2023	As at 31-03-2022
(a) Deferred tax assets	(43,974)	(44,880)
(b) Deferred tax liabilities	19,787	48,200
Net deferred tax (assets) / liabilities	(24,187)	3,320

Movements in deferred tax liabilities:

Movements during the year ended 31 March 2023:

	1 April 2022	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	Transferred to discontinued operations	31 March 2023
Property, plant and equipment, investment property and intangible assets	43,200	616	-	(29,029)	19,787
Financial assets at fair value through profit or loss/FVOCI	(502)	-	465	15	(22)
MAT credit	-	-	-	-	-
Expenses allowable in the year of payment (Section 43B of the Income Tax Act, 1961)	(1,048)	56	-	396	(596)
Business loss	(42,877)	547	-	-	(42,330)
Others (include provision for doubtful debts)	(453)	(573)	-	-	(1,026)
Net deferred tax liabilities	3,320	646	465	(28,618)	(24,187)

Movements during the year ended 31 March 2022:

	1 April 2021	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2022
Property, plant and equipment, investment property and intangible assets	49,943	(1,743)	-	48,200
Financial assets at fair value through profit or loss	(483)	-	(19)	(502)
MAT credit	-	-	-	-
Expenses allowable in the year of payment (Section 43B of the Income Tax Act, 1961)	(1,086)	38	-	(1,048)
Business loss	(43,517)	640	-	(42,877)
Others (include provision for doubtful debts)	(819)	366	-	(453)
Net deferred tax liabilities	4,038	(699)	(19)	3,320

Note 26: Other current liabilities

	As at 31 March 2023	As at 31-03-2022
Advances from customers	512	3,143
Statutory dues payable	2,934	3,760
Other payables	3,066	2,023
Total	6,512	8,926



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Note 27: Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
- Finished goods	2,01,883	1,68,394
- Traded goods	58,101	48,860
Subsidy on manufactured fertilisers	2,09,129	1,00,263
Subsidy on traded fertilisers	43,132	9,123
Other operating revenues	4,220	113
Total	5,16,465	3,26,753

Note 28: Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets measured at amortised cost	1,495	105
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	307	33
Net gain on sale of investments	2,016	825
Gain on disposal of property, plant and equipment (net)	-	(4)
Other non-operating income	100	285
Total	3,918	1,244

Note 29: Cost of materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials as at the beginning of the year	33,459	15,163
Add: Purchases during the year	3,23,703	2,38,544
Less: Raw materials as at the end of the year	22,486	33,459
Total	3,34,676	2,20,248

Note 30: Purchases of stock-in-trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	98,556	49,507
Total	98,556	49,507

Note 31: Changes in inventories of finished goods and stock-in-trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Finished goods	30,717	6,799
Stock-in-trade	6,169	9,463
Total opening balance	36,886	16,262
Closing balance		
Finished goods	41,848	30,717
Stock-in-trade	15,997	6,169
Total closing balance	57,845	36,886
Total	(20,959)	(20,624)

Note 32: Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	14,195	12,131
Contribution to provident and other funds	932	852
Gratuity	335	291
Post-employment pension benefits	34	39
Staff welfare expenses	593	635
Total	16,089	13,948

Note 33: Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest and finance charges	14,883	9,553
Finance charges on finance leases	335	310
Interest - others	1,755	963
Total	16,973	10,826



Note 34: Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment*	7,739	6,238
Amortisation of right of use assets	502	418
Amortisation on intangible assets	2,145	2,029
Total	10,386	8,685

*Depreciation amounting to Rs. 883 Lakhs transferred from holding company Deepak Fertilisers and Petrochemicals Corporation Limited as common sharing cost for continuing operations.

Note 35: Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spares	3,744	1,562
Power, fuel and water	3,757	2,288
Repairs to :		
- Buildings	474	571
- Plant and machinery	3,425	3,197
- Others	724	648
Rent	1,033	827
Insurance	1,280	890
Rates, taxes and duties	610	1,038
Travelling and conveyance	768	385
Legal and professional fees	2,073	2,235
Payments to auditors [Refer Note 35(a) below]	19	20
Directors' fees	8	9
Carriage outward (net)	18,162	15,925
Warehouse and handling charges	10	5
Loss on disposal of property, plant and equipment (net)	1	8
Commission on sales	1	1
Sales and promotion expenses	2,004	1,724
Utility services	622	684
Communication expenses	59	61
Expenditure towards corporate social responsibility [Refer Note 35(b) below]	255	114
Foreign exchange fluctuations loss (net)	5,408	4,014
Provision for doubtful trade receivables	179	-
Miscellaneous expenses	2,554	1,377
Total	47,170	37,583

Note 35(a): Details of payments to auditors

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditors:		
Audit fees/limited review fees	13	14
Tax audit fees	2	2
Certification fees/other services	3	3
In other capacities		
Taxation matters	-	-
Reimbursement of expenses	1	1
Total	19	20

Note 35(b): Expenditure towards corporate social responsibility

	For the year ended 31 March 2023	For the year ended 31 March 2022
Contributions to Ishanya Foundation	277	246
Others	135	-
Provision for shortfall in books of accounts	189	-
Total	601	246
Amount required to be spent as per Section 135 of the Act	636	206
Amount spent during the year on -		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	407	246
(iii) shortfall/(excess) at the end of the year,	189	(40)
(iv) total of previous years shortfall / (excess),	40	-
(v) reason for shortfall,	On going project Ishanya Foundation	NA Ishanya Foundation
(vi) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,		
(vii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable
		-

* The above information is at the Company level (including continued and discontinued operations)



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Note 36: Fair value measurements

(i) Financial instruments by category

	31 March 2023			31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments at fair value	3	-	-	3	-	-
- Mutual funds	45,377	-	-	52,925	-	-
Trade receivables	-	-	1,11,228	-	-	46,141
Cash and cash equivalents	-	-	19,027	-	-	6,846
Other bank balances	-	-	17,148	-	-	470
Loans	-	-	165	-	-	169
Other financial assets						
- Derivative financial assets, not designated as hedges	-	-	-	701	-	-
- Interest receivable	-	-	336	-	-	36
- Deposit with banks	-	-	-	-	-	136
- Financial Guarantee Asset	-	-	177	-	-	779
- Security deposits	-	-	199	-	-	682
- Incentive Receivable	-	-	3,167	-	-	-
- Others	-	-	1	-	-	1
Total financial assets	45,380	-	1,51,448	53,629	-	55,260
Financial liabilities						
Borrowings	-	-	1,15,896	-	-	1,83,094
Lease Liabilities	-	-	3,551	-	-	3,598
Trade payables	-	-	1,10,399	-	-	1,10,006
Other financial liabilities						
- Capital creditors	-	-	780	-	-	1,123
- Security deposits	-	-	8,134	-	-	6,772
- Interest accrued	-	-	1,192	-	-	532
- Embedded derivative	100	-	-	100	-	-
- Financial Guarantee Liability	-	-	-	-	-	1,392
- Others	120	-	3,186	-	-	11,968
Total financial liabilities	220	-	2,43,138	100	-	3,18,485



(ii) Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

The different levels have been defined as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial assets and liabilities measured at fair value	31 March 2023				31 March 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Equity shares	3	-	-	3	3	-	-	3
Mutual funds	45,377	-	-	45,377	52,925	-	-	52,925
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	-	-	-	-	701	-	701
Total financial assets	45,380	-	-	45,380	52,928	701	-	53,629
Financial liabilities								
Derivatives								
Foreign exchange forward contracts/option contracts	120	100	-	220	-	100	-	100
Total financial liabilities	120	100	-	220	-	100	-	100

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2023 and 31 March 2022.

(iii) Valuation process to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

- (a) The fair values of investments in debt and government securities is based on the current bid price of respective investment as at the Balance Sheet date.
(b) The fair values of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from investors.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 37: Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee of the Board with top management oversees the formulation and implementation of the risk management policies. The risks are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- (i) credit risk;
- (ii) liquidity risk; and
- (iii) market risk.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience / current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance), excluding receivable from group companies is Rs. 2,636 Lakhs for continued operations (31 March 2022: Rs. 599 Lakhs).

Movement in the expected credit loss allowance of trade receivables is as follows:

	31 March 2023	31 March 2022
Balance at the beginning of the year	5,031	4,118
Add: Provided during the year	180	954
Less: Amount utilised	413	41
Less: Pertains to discontinued operation	3,098	-
Balance at the end of the year	1,700	5,031

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivables, the management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly, no provision for excepted credit loss has been made on these financial assets.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	1,03,733	17,232	56,736	25,802	99,770
Obligations under finance lease	3,551	519	3,032	-	3,551
Trade payables	45,863	45,863	-	-	45,863
Interest accrued	136	136	-	-	136
Security deposits	8,134	1,892	6,242	-	8,134
Financial Guarantee Liability	-	-	-	-	-
Other financial liabilities	4,066	3,966	-	100	4,066
Total non-derivative liabilities	1,65,483	69,608	66,010	25,902	1,61,520
Derivatives financial liabilities					
Borrowings	12,163	1,547	10,616	-	12,163
Embedded derivative	120	-	-	120	120
Interest accrued	1,056	1,056	-	-	1,056
Financial Guarantee Liability	-	-	-	-	-
Trade payables	64,536	64,536	-	-	64,536
Total derivative liabilities	77,875	67,139	10,616	120	77,875



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

31 March 2022	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	1,83,094	14,856	1,44,376	23,862	1,83,094
Obligations under finance lease	3,598	621	2,977	-	3,598
Trade payables	34,117	34,117	-	-	34,117
Interest accrued	496	496	-	-	496
Security deposits	6,772	1,825	4,947	-	6,772
Financial Guarantee Liability	1,392	254	1,138	-	1,392
Other financial liabilities	13,191	13,091	-	100	13,191
Total non-derivative liabilities	2,42,660	65,260	1,53,438	23,962	2,42,660
Derivatives financial liabilities					
Interest accrued	36	36	-	-	36
Trade payables	75,889	75,889	-	-	75,889
Total derivative liabilities	75,925	75,925	-	-	75,925

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, GBP and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, by entering into forward contracts.

Exposure to currency risk

- (i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note 44.
(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

	Impact on profit after tax	
	31 March 2023	31 March 2022
USD sensitivity		
INR/USD -appreciated by 1% (31 March 2022-1%)	863	759
INR/USD -depreciated by 1% (31 March 2022-1%)	(863)	(759)
EURO sensitivity		
INR/EURO -appreciated by 1% (31 March 2022-1%)	-	0.12
INR/EURO -depreciated by 1% (31 March 2022-1%)	-	(0.12)
GBP sensitivity		
INR/GBP-appreciated by - Nil (31 March 2022-1%)	-	0.00
INR/GBP-depreciated by - Nil (31 March 2022-1%)	-	(0.00)



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	31 March 2023	31 March 2022
Variable rate borrowings	86,131	1,59,232
Fixed rate borrowings	25,802	23,862
Total borrowings	1,11,933	1,83,094

As at the end of the year, the Company had the following variable rate borrowings outstanding:

Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2023 would decrease / increase by Rs. 431 Lakhs (for the year ended 31 March 2022: decrease / increase by Rs. 796 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 38. Capital Management**Risk Management**

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2023	31 March 2022
Net debt	75,758	1,75,778
Total equity	4,15,831	3,28,356
Net debt to equity ratio	0.18	0.54



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023

Note 39(a) : Names of the related parties and relationships

A. Holding Company

- 1 Deepak Fertilisers and Petrochemicals Corporation Limited

B. Subsidiary Companies

- 1 Platinum Blasting Services Pty Limited [PBS] (Subsidiary)
- 2 Australian Mining Explosives Pty Limited (100% Subsidiary of PBS)
- 3 Performance Chemiserve Limited
- 4 Mahadhan Farm Technologies Private Limited

C. Fellow Subsidiaries

- 1 Deepak Mining Solutions Private Limited (Formerly Deepak Mining Services Private Limited)
- 2 Deepak Nitrochem Pty. Limited
- 3 SCM Fertichem Limited
- 4 Ishanya Brand Services Limited
- 5 Ishanya Realty Corporation Limited

D. Jointly Controlled Entity of Holding Company

- 1 Yerrowda Investments Limited

E. Key Management Personnel

(a) Executive directors

- 1 Mr. Sailesh Mehta
- 2 Mr. Yeshil Mehta

(b) Non-executive directors

- 1 Mrs. Parul Sailesh Mehta
- 2 Dr. Tapan Kumar Chatterjee
- 3 Mr. Madhumilan Parshuram Shinde

(c) Non-executive Independent directors

- 1 Mr. Partha Sarathi Bhattacharya
- 2 Mr. Ashok Kumar Purwaha
- 3 Mr. Alok Perti

(d) Chief Finance Officer

Mr. Amitabh Bhargava

(e) Company Secretary

Mr. Pankaj Gupta

E. Entities over which key management personnel are able to exercise significant influence:

- 1 Robust Marketing Services Private Limited
- 2 Nova Synthetic Limited
- 3 The Lakaki Works Private Limited
- 4 High Tide Investments Private Limited
- 5 Deepak Asset Reconstruction Private Limited
- 6 Ishanya Foundation
- 7 Deepak Foundation
- 8 Deepak Agro Solutions Limited
- 9 Peerless General Finance and Investment Company Limited

G. Relatives of Key Management Personnel

- 1 Ms. Rajvee Mehta
- 2 Mr. C. K. Mehta
- 3 Mr. Ajay Chimanlal Mehta
- 4 Mr. Deepak Chimanlal Mehta

H. Entities over which relatives of key management personnel are able to exercise significant influence:

- 1 Deepak Nitrite Limited
- 2 Deepak Phenolics Limited
- 3 Sofotel Infra Private Limited
- 4 Blue Shell Investments Private Limited
- 5 Storewell Credits and Capital Private Limited



Note 39(b) Related Party transactions:

Sr. No.	Nature of Transactions	31 March 2023						31 March 2022					
		Holding Company	Subsidiaries	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant influence	Enterprises over which relatives of Key Management Personnel are able to exercise significant influence	Total	Holding Company	Subsidiaries	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant influence	Enterprises over which relatives of Key Management Personnel are able to exercise significant influence	Total
1	Sale of goods												
	Deepak Fertilisers and Petrochemicals Corporation Limited	26,200	-	-	-	-	26,200	19,714	-	-	-	-	19,714
	Deepak Nitrite Limited	-	-	-	-	-	-	-	-	-	-	338	338
	Mahadhan Farm Technologies Private Limited	-	1,061	-	-	-	1,061	-	1,110	-	-	-	1,110
	Performance Chemiserve Limited	-	1	-	-	-	1	-	-	-	-	-	-
2	Purchases of goods and services												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(95,580)	-	-	-	-	(95,580)	(75,502)	-	-	-	-	(75,502)
	Mahadhan Farm Technologies Private Limited	-	(4,012)	-	-	-	(4,012)	-	(4,340)	-	-	-	(4,340)
3	Receiving of services/reimbursement of expenses												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(14,743)	-	-	-	-	(14,743)	(16,181)	-	-	-	-	(16,181)
	Platinum Blasting Services Pty Ltd	-	(14)	-	-	-	(14)	-	(32)	-	-	-	(32)
	Mr. Madhumilan Parshuram Shinde	-	-	(14)	-	-	(14)	-	-	(11)	-	-	(11)
4	Interest on loans taken												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(9,095)	-	-	-	-	(9,095)	(6,012)	-	-	-	-	(6,012)
5	Interest on loans given												
	Mahadhan Farm Technologies Private Limited	-	12	-	-	-	12	-	19	-	-	-	19
	Performance Chemiserve Limited	-	26	-	-	-	26	-	-	-	-	-	-
6	Dividend received												
	Platinum Blasting Services Pty Ltd	-	913	-	-	-	913	-	1,052	-	-	-	1,052
7	CSR contribution												
	Ishanya Foundation	-	-	-	(277)	-	(277)	-	-	-	(246)	-	(246)
8	Purchase of Asset												
	Performance Chemiserve Limited	-	(3)	-	-	-	(3)	-	-	-	-	-	-
9	Remuneration (including perquisites)**												
	Mr. Yoshi Mehta	-	-	(6,472)	-	-	(6,472)	-	-	(3,337)	-	-	(3,337)
	Mr. Pankaj Gupta	-	-	(69)	-	-	(69)	-	-	(69)	-	-	(69)
	Mr. Sailesh Mehta	-	-	(12,300)	-	-	(12,300)	-	-	(6,675)	-	-	(6,675)
	Other Directors' Commission	-	-	(251)	-	-	(251)	-	-	(165)	-	-	(165)
10	Loans taken												
	Deepak Fertilisers and Petrochemicals Corporation Limited												
	Inter-Corporate Deposits	37,500	-	-	-	-	37,500	52,878	-	-	-	-	52,878
	Optionally Convertible Debentures	1,00,000	-	-	-	-	1,00,000	-	-	-	-	-	-
11	Loans repaid												
	Deepak Fertilisers and Petrochemicals Corporation Limited	(1,20,205)	-	-	-	-	(1,20,205)	(5,000)	-	-	-	-	(5,000)
	Mahadhan Farm Technologies Private Limited	-	-	-	-	-	-	-	240	-	-	-	240



Note 39(b) Related Party transactions:

Sr. No.	Nature of Transactions	31 March 2023					31 March 2022						
		Holding Company	Subsidiaries	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which relatives of Key Management Personnel are able to exercise significant Influence	Total	Holding Company	Subsidiaries	Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which relatives of Key Management Personnel are able to exercise significant Influence	Total
12	Loan and Advances given Performance Chemiserve Limited	-	(3,000)	-	-	-	(3,000)	-	-	-	-	-	-
13	Equity Shares Purchased Performance Chemiserve Limited	-	(30,001)	-	-	-	(30,001)	-	(60,000)	-	-	-	(60,000)
14	Amounts outstanding												
	Trade Receivables												
	Mahadhan Farm Technologies Private Limited	-	474	-	-	-	474	-	-	-	-	-	-
	Performance Chemiserve Limited	-	1	-	-	-	1	-	-	-	-	-	-
	Deepak Nitrite Limited	-	-	-	-	1	1	-	-	-	-	184	184
	Remuneration payable												
	Mr. Yeshil Mehta	-	-	(6,350)	-	-	(6,350)	-	-	(3,231)	-	-	(3,231)
	Mr. Sailesh Mehta	-	-	(12,300)	-	-	(12,300)	-	-	(6,118)	-	-	(6,118)
	Other Directors' Commission	-	-	(251)	-	-	(251)	-	-	(105)	-	-	(195)
	Interest receivable												
	Mahadhan Farm Technologies Limited	-	10	-	-	-	10	-	-	-	-	-	-
	Performance Chemiserve Limited	-	24	-	-	-	24	-	-	-	-	-	-
	Loan receivable												
	Mahadhan Farm Technologies Private Limited	-	122	-	-	-	122	-	122	-	-	-	122
	Performance Chemiserve Limited	-	3,000	-	-	-	3,000	-	-	-	-	-	-
	Loans repayable												
	Deepak Fertilisers and Petrochemicals Corporation Limited												
	Optionally Convertible Debentures	(1,01,655)	-	-	-	-	(1,01,655)	-	-	-	-	-	-
	Inter Corporate Deposits	(13,724)	-	-	-	-	(13,724)	(66,429)	-	-	-	-	(66,429)

Note : Figures in bracket are outflows.

All transactions are in ordinary course and on an arm's length basis.

**Remuneration does not include sitting fees paid to non-executive directors of Rs. 18.65 Lakhs (31 March 2022 : Rs. 19 Lakhs).

Also Refer Note 43 for corporate guarantee given to a subsidiary.

The above information is at the Company level (including continued and discontinued operations).



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)

Notes to the financial statements for the year ended 31 March 2023

(All amounts in ₹ Lakhs unless otherwise stated)

Note 40: Contingent liabilities and Commitments

Particulars	31 March 2023	31 March 2022
A. Contingent liabilities		
Claims against the Company not acknowledged as debts	7,609	6,048
Income Tax demands (Refer Note 42)	53,695	21
Sales Tax/VAT Demands	2,286	2,330
Local Body Tax	598	598
Excise Duty	339	339
	64,527	9,336
B. Commitments		
Related to Projects	10,867	6,027
Other capital commitments	7,099	2,486
Total	17,966	8,513

Note 41

Gas Authority of India Limited (GAIL) has claimed an amount of Rs. 357 crores in respect of supply of domestic natural gas for the period July 2006 to May 2014 (inclusive of interest till 2016), alleging usage for manufacture of products other than Urea. As per two contracts entered into 2006 and 2010 between the Company and GAIL, the purchase of gas was clearly intended, supplied and utilised for industrial applications. It has been in the full knowledge of the Department of Fertilisers, Government of India that the Company; as per the industrial license, since its inception was never engaged in the manufacture of Urea and the dispute was referred to Arbitration.

Claims by GAIL were divided into two parts by the Company while challenging arbitration. Claim under Gas Sales and Transportation Agreement of 2006 is non-arbitrable. Similarly, the claim for the period from 2011 to 2013; are barred by limitation. Accepting the Company's stand, the Arbitration Tribunal has rejected the claims of GAIL vide orders dated 5 September 2017 and 13 December 2017. Thereafter, GAIL filed Arb Appeal (COMM) NO. 3/2018 challenging the Order dated 5 September 2017 and OMP (COMM) No. 31/2018 before Hon'ble Delhi High Court, which dismissed both the appeals vide its Order dated 20 December 2018 and upheld the Order of Arbitrator.

Consequently, GAIL has preferred a Special Leave Petition before the Hon'ble Supreme Court against dismissal of Arb Appeal (COMM) 3/2018 and also preferred an appeal before Divisional bench of Hon'ble Delhi High Court against dismissal of OMP (COMM) No 31/2018. Both the petitions are pending adjudication as at the reporting date.

Note 42

During the year, the Company received the Income-tax assessment and demand Orders for the block period (Assessment Year 2013-2014 to Assessment Year 2019-2020) with net demands of Rs. 486 crores (including interest and net of consequential MAT credit available). The Company has filed appeals against the aforesaid Orders within stipulated time. An Independent tax expert, based on the facts and the legal position emerging from the various decisions post Supreme Court Judgement, has opined that the Company has a good arguable case before the appellate forum against the assessment orders passed by the Assessing Officer. The Company, based on the expert opinion, various favourable judgements, and amendments in the Income-tax Act, 1961, is of the view that this will not have any significant impact on the Company's financial position and hence, no further provision has been recognised as on 31 March 2023 and the same have been disclosed as contingent liabilities (Refer Note 40A).

Note 43: Disclosure required under Section 186(4) of the Companies Act, 2013

Loans and advances to related parties includes loans given to subsidiaries. The particulars of which are disclosed below as required.

Name of the party	Average Rate of interest	Purpose, Due date and amount payable	31 March 2023	31 March 2022
Mahadhan Farm Technologies Private Limited	9.55%	The loan has been granted to the subsidiary for repayment of shareholder's loan. The loan is repayable on demand.	122	122



Note 44: Foreign currency balances outstanding

	31 March 2023		31 March 2022	
	Amount in Foreign Currency Lakhs	Equivalent Amount in INR Lakhs	Amount in Foreign Currency Lakhs	Equivalent Amount in INR Lakhs
Hedged Position*				
Creditors (in USD)	785	64,536	1,001	75,889
Interest accrued (in USD)	13	1,056	0	36
ECB Loan Borrowing	150	12,327	-	-
Buyers Credit (in USD)	101	8,278	-	-
Total	1,049	86,197	1,001	75,925
Un-hedged Position				
Creditors (in USD)	1	84	0	8
Creditors (in EURO)	-	-	0	12
Creditors (in GBP)	-	-	0	0
Interest accrued (in EURO)	-	-	-	-
Exports (in USD)	-	-	-	-
Total	1	84	0	20

*The above transactions are hedged by the following derivative contracts:

Particulars	31 March 2023		31 March 2022	
	Amount in Foreign Currency Lakhs	Equivalent Amount in INR Lakhs	Amount in Foreign Currency Lakhs	Equivalent Amount in INR Lakhs
Forward Contracts - USD	252	20,678	126	9,586
Options Contracts - USD	797	65,519	875	66,339
Total - A	1,049	86,197	1,002	75,925
Option Contracts - USD (Based on POs in Hand)	416	34,183	361	27,373
Option Contracts - USD (Booked under Anticipated Exposure Facility)	-	-	938	71,111
Total - B	416	34,183	1,299	98,484
Grand Total (A+B)	1,465	1,20,380	2,301	1,74,410

The Company has chosen to not designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109.

Note 45: Income Taxes

Components of Income Tax Expenses	31 March 2023	31 March 2022
I. Tax expense recognised in the Statement of Profit and Loss		
Current Tax	44,454	23,968
Total (A)	44,454	23,968
Deferred tax charge/(credit)	1,074	(699)
Total (B)	1,074	(699)
Total (A+B)	45,528	23,269
Tax expense recognised in the Statement of Profit and Loss for continued operations	3,924	45
Tax expense recognised in the Statement of Profit and Loss for discontinued operations	41,604	23,224
Total	45,528	23,269
II. Tax on Other Comprehensive Income		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	24	(12)
Total	24	(12)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2023 and 31 March 2022

Particulars	31 March 2023	31 March 2022
Profit before tax from continuing and discontinuing operations	1,32,783	67,673
At India's statutory income tax rate of 34.944% (31 March 2022: 34.944%) (A)	46,400	23,648
Impact on current and deferred tax of earlier years	-	-
Deferred taxes recognised on fixed assets WDV differences and others	(872)	(379)
Total (B)	(872)	(379)
Income Tax expense of continuing and discontinuing operations (A+B)	45,528	23,269

Note 46 Other Statutory Information

[A] Below disclosures are not given since there are no such transactions for the financial year ended 31st March 2023 (31st March 2022 : Not applicable)

- (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 has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company does not have any transaction which is not recorded in the books of account 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).

[B] Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.



Note 47: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
R K PROINFRA PRIVATE LIMITED	Recovery of GST Credit and interest thereon	Rs. 133.815 (in Rupees)	Vendor

Note 48: Ratios

Particulars	As at 31 March 2023 (Refer note (i))	As at 31-03-2022 (Refer note (i))	Items included in numerator	Items included in denominator	Change in the ratio by more than 25% as compared to the preceding year	Explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio (in times)	1.93	1.37	Total current assets	Total current liabilities	41.57	(Refer note (i))
(b) Debt-Equity Ratio (in times)	0.29	0.57	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	(49.48)	(Refer note (i))
(c) Debt Service Coverage Ratio (in times)	1.30	2.65	Earnings available for Debt Service (Net profit after tax + Non cash operating expenses + interest + other non cash adjustments)	Debt Service = Interest and lease payments + Principal repayments	(50.78)	(Refer note (i))
(d) Return on Equity Ratio (in times)	3.65	14.50	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	(74.86)	(Refer note (i))
(e) Inventory turnover ratio (in times)	4.96	5.40	Cost of goods sold	Average inventory	(8.16)	(Refer note (i))
(f) Trade Receivables turnover ratio (in times)	7.69	9.36	Revenue from operations	Average trade receivables	(17.81)	(Refer note (i))
(g) Trade payables turnover ratio (in times)	4.35	3.72	Purchase of materials and stock in trade	Average trade payables	17.01	(Refer note (i))
(h) Net capital turnover ratio (in times)	5.02	13.62	Revenue from operations	Working Capital = Current Assets - Current Liabilities	(63.11)	(Refer note (i))
(i) Net profit ratio (in %)	2.63%	8.01%	Profit after tax for the current year	Revenue from operations	(67.18)	(Refer note (i))
(j) Return on Capital employed (in %)	7.08%	21.42%	Profit before tax and finance costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred tax liability	(66.93)	(Refer note (i))
(k) Return on investment (in %)	6.71%	1.98%	Income generated from investment of funds	Average invested funds in treasury investments	239.09	(Refer note (i))

Note:

Considering the impact of accounting for Composite Scheme (refer note 52), above ratios have been calculated with the following approach.

- For the periods upto March 31, 2022, all relevant amounts pertaining to continuing and discontinued operations have been considered
- For the periods after March 31, 2022, only relevant amounts pertaining to continuing operations have been considered.

Considering that the Composite Scheme (refer note 52) has been accounted for with effect from January 01, 2022, having impact on every accounting captions, through demerger and merger, the above financial ratios are not fully comparable, hence the explanation for the significant variances, cannot be practically furnished.



Note 49: Earnings per Share

	For the year ended 31 March 2023	For the year ended 31 March 2022
For continuing operations		
a) Basic		
Net profit after tax available for equity Shareholders	13,568	7,779
Weighted average number of equity shares used to compute basic earnings per share	1,70,50,000	1,70,50,000
Basic earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	79.58	45.62
b) Diluted (Refer note (i) below)		
Net profit after tax available for equity Shareholders	13,568	7,779
Weighted average number of Equity Shares of Rs. 10 each (March 31, 2022: Rs. 10 each)	1,70,50,000	1,70,50,000
Diluted earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	79.58	45.62
For discontinued operations		
a) Basic		
Net profit after tax available for equity Shareholders	73,687	36,625
Weighted average number of equity shares used to compute basic earnings per share	1,70,50,000	1,70,50,000
Basic earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	432.18	214.81
b) Diluted (Refer note (i) below)		
Net profit after tax available for equity Shareholders	73,687	36,625
Weighted average number of Equity Shares of Rs. 10 each (March 31, 2022: Rs. 10 each)	1,70,50,000	1,70,50,000
Diluted earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	432.18	214.81
For continuing and discontinued operations		
a) Basic		
Net profit after tax available for equity Shareholders	87,255	44,404
Weighted average number of equity shares used to compute basic earnings per share	1,70,50,000	1,70,50,000
Basic earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	511.76	260.43
b) Diluted (Refer note (i) below)		
Net profit after tax available for equity Shareholders	87,255	44,404
Weighted average number of Equity Shares of Rs. 10 each (March 31, 2022: Rs. 10 each)	1,70,50,000	1,70,50,000
Diluted earnings (in Rs.) per Share of Rs.10 each. (March 31, 2022: Rs. 10 each)	511.76	260.43

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains the same.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023
(All amounts in ₹ Lakhs unless otherwise stated)

Note 50: Reorganisation and discontinued operation

The Board of Directors, in its meeting held on 15 December 2022, approved a group reorganization plan with the objective of creating value for the shareholders of the Company (Mahadhan AgriTech Limited ("MAL") [Formerly Smartchem Technologies Limited]). The reorganization plan approved by the respective Boards of the Companies entails demerger of Technical Ammonium Nitrate ("TAN Business") from MAL into Deepak Mining Solutions Private Limited ("DMSPL") to enhance focus on the operations of TAN as well as Crop Nutrition Business and to enable the businesses to induct sector specific strategic and financial investors.

The transaction is to be effected pursuant to a Composite Scheme of Amalgamation and Arrangement ("the Scheme") and is likely to be completed during the financial year 2023-2024. The Scheme has been approved by the shareholders and filed with Mumbai Bench of National Company Law Tribunal (NCLT) on 21 December 2022 for its approval.

The Scheme has been considered as highly probable and demerger of TAN Business into DMSPL meet the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation. Accordingly, TAN Business has been disclosed as discontinued operation in these financial statements.

Accordingly, previous year figures in the Statement of Profit and Loss have also been restated. As per the disclosure requirements of Ind AS 105, the amounts related to assets and liabilities of discontinuing operation are not restated. Accordingly, assets and liabilities are not comparable with those of previous year.

The results of Technical Ammonium Nitrate ('TAN Business') for the year are given below:

	March 31, 2023	March 31, 2022
Revenue from contract with customers	3,78,234	2,27,436
Other operating revenue	378	290
Revenue from operations	3,78,612	2,27,726
Other income	1,462	1,954
Total expenses	2,64,783	1,69,831
Profit/(loss) before tax for the year	1,15,291	59,849
Tax expense/ (credit)	41,604	23,224
Profit / (loss) for the year	73,687	36,625

Net cash flows attributable to the Technical Ammonium Nitrate ('TAN Business') are as follows:

	March 31, 2023
Net cash generated from / (used in) operating activities	74,109
Net cash used in investing activities	(48,266)
Net cash generated from financing activities	(25,961)

Appointed date as per the Composite Scheme of Arrangement related to discontinued operations i.e. de-merger of TAN Business is 1 January, 2022, Information in respect of cash flow for previous period (FY 2021-2022) of discontinued operations is not relevant and hence not reported



The major classes of assets and liabilities of Technical Ammonium Nitrate ('TAN Business') classified as held for distribution as on 31 March 2023 are presented below:

	As at 31 March 2023
ASSETS	
Non-current assets	
Property, plant and equipment	42,448
Capital work-in-progress	52,531
Right of use assets	5,231
Goodwill	47,046
Other intangible assets	33,984
Financial assets	
i. Investment in subsidiaries	1,69,767
ii. Loans	3,024
iii. Other financial assets	1,358
Other non-current assets	2,172
Total non-current assets	3,57,561
Current assets	
Inventories	19,388
Financial assets	
i. Trade receivables	36,503
ii. Loans	16
iii. Other financial assets	70
Other current assets	10,437
Total current assets	66,414
Total assets	4,23,975
Liabilities	
Non-current liabilities	
Financial Liabilities	
i. Borrowings	1,10,901
ii. Other financial liabilities	1,399
Provisions	1,367
Deferred tax liabilities (net)	28,618
Total non-current liabilities	1,42,285
Current liabilities	
Financial liabilities	
i. Borrowings	15,224
ii. Lease liabilities	559
iii. Trade payables	
(a) total outstanding dues of micro and small enterprises	1,038
(b) total outstanding dues of creditors other than micro and small enterprises	34,208
iv. Other financial liabilities	18,993
Other current liabilities	630
Provisions	306
Total current liabilities	70,958
Total liabilities	2,13,243



Note 51: Segment Reporting

Sr No	PARTICULARS	CHEMICALS	FERTILISERS	OTHERS	COMMON	TOTAL
1	Revenue					
	(a) External Sales					
	(i) Manufactured	4,04,967	3,88,877	-	-	7,93,844
	Previous Year	2,43,949	2,52,547	-	-	4,96,496
	(ii) Traded	1,253	99,980	-	-	1,01,233
	Previous Year	2,355	55,628	-	-	57,983
	(b) Unallocated Corporate other income	-	-	5,380	-	5,380
	Previous Year	-	-	3,198	-	3,198
	Total Revenue	4,06,220	4,88,857	5,380	-	9,00,457
	Previous Year	2,46,304	3,08,175	3,198	-	5,57,677
2	Segment Result	1,57,289	35,756	-	-	1,93,045
	Previous Year	79,334	28,743	-	-	1,08,077
3	Unallocated Corporate expenses	-	-	-	60,262	60,262
	Previous Year	-	-	-	40,404	40,404
4	Net profit	-	-	-	-	1,32,783
	Previous Year	-	-	-	-	67,673
5	Other Information					
	(a) Segment Assets	4,25,127	3,51,254	-	85,210	8,61,591
	Previous Year	3,48,828	2,53,263	-	61,534	6,63,625
	(b) Segment Liabilities	1,62,270	2,52,582	-	30,908	4,45,760
	Previous Year	1,31,208	1,87,411	-	16,650	3,35,269
	(c) Capital Expenditure incurred during the year	19,596	6,733	-	-	26,329
	Previous Year	16,239	6,666	-	-	22,905
	(d) Depreciation/ Amortisation	10,247	10,199	-	-	20,446
	Previous Year	11,383	7,346	-	-	18,729

Segment information

1. Primary segment reporting (by business segments)

Composition of business segment

Segment	Products covered
(a) Chemicals	Ammonia, TAN
(b) Bulk Fertilisers	NP, NPK, MOP, DAP, Ammonium Sulphate, Mixtures, SSP, Sulphur, Micronutrients, SSF, Bio Fertilisers.

2. Secondary Segment Information: There are no reportable geographical segments since the Company caters mainly to needs of Indian Markets.



Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)
Notes to the financial statements for the year ended 31 March 2023

Note 52: The Company has changed its name from Smartchem Technologies Limited to Mahadhan AgriTech Limited with effect from 20 April 2023.


Note 53: Previous year's figures have been reclassified/regrouped wherever necessary.

Note Nos. 1 to 53 form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W


Himanshu Goradia
Partner
Membership No. 045668

Place: Mumbai
Date: 16 May 2023



S. C. Mehta
Chairman
DIN: 00128204



Y. S. Mehta
Director
DIN: 07866312

Place: Pune
Date: 16 May 2023



Amitabh Bhargava
Chief Financial Officer



Pankaj Gupta
Company Secretary
Membership No. F-9219



Board of Directors

Shri Shailesh C Mehta – Chairman and Managing Director
Shri Yeshil Mehta – Executive Director
Smt. Parul S Mehta – Non-executive Director
Dr. T. K. Chatterjee – Non-executive Director
Shri M P Shinde – Non-executive Director
Shri Partha Bhattacharyya – Independent Director
Shri B C Tripathi – Independent Director
Shri Ashok Kumar Purwaha – Independent Director
Shri Alok Perti – Independent Director

Chief Financial Officer

Shri Amitabh Bhargava

Company Secretary

Shri Pankaj Gupta

Registered Office:

Sai Hira, Survey No. 93, Mundhwa
Pune – 411 036
P. No.: +91 20 6645 8000
Website: www.pclindia.co.in

Plant:

Plot K1, K7-K8,
MIDC Industrial Area
Taloja, A. V. – 410 208
Dist. Raigad, Maharashtra

Village Ponnada,
Etcherla Mandala,
Srikakulam – 532 408
Andhra Pradesh

Plot No. 47
HSI IDC Industrial Estate
Refinery Road
Panipat – 132 140
Haryana

Statutory Auditors

M/s. B. K. Khare & Co.
Chartered Accountants (Mumbai)
Mumbai

Secretarial Auditors

Jog Limaye & Associates
Practicing Company Secretaries
Pune

Cost Auditors

Harshad S. Deshpande & Associates
Cost Accountants
Pune