

## INDEPENDENT AUDITORS' REPORT

To the Members of Deepak Mining Solutions Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of Deepak Mining Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

- a. We draw attention to Note 42 (b) to the Financial Statements wherein the management has given details regarding the demerger of the Technical Ammonium Nitrate (TAN) business into the Company from Mahadhan AgriTech Limited ("MAL") (the demerged entity) in the current year. The management has also explained the business need for conducting its activities in MAL and continuing with MAL's registrations, licenses, permits, title deeds and other statutory approvals for conducting its business activities. Management expects that the transfer process for licenses, registrations, and related matters will be completed during the financial year 2025-26.



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- b. We draw attention to Note 38 of the Financial Statements dealing with assessment and demand orders issued under the Income Tax Act, 1961 and the appeals filed thereagainst by the Company. The Company has disclosed the same in contingent liabilities.

Our opinion is not modified in respect of these matters.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report along with its Annexures included in the Annual Report but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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





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

We also:

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

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

#### Other Matter

The Financial Statements of the Company for the year ended March 31, 2024, were audited by another auditor, who expressed an unmodified opinion in their audit report dated May 28, 2024. Additionally, the same auditor issued a special purpose audit report dated 31<sup>st</sup> July 2024, also with an unmodified opinion, on the financial information reflecting the impact of the Composite Scheme of Arrangement. Under this scheme, the Technical Ammonium Nitrate Business was demerged into the Company, effective August 1, 2024, with an appointed date of January 1, 2022. We have relied on this financial information containing the restated opening balances as on April 1, 2024. Refer to Note 42 of the accompanying Financial Statements for further details. Our opinion is not modified in respect of this matter.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, which should be read in conjunction with Note 42 to the Financial Statements.
2. As required by Section 143(3) of the Act, we report that which should be read in conjunction with Note 42 to the Financial Statements:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (b) above and refer to our comment in paragraph 2(i)(vi) below, on reporting under rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - g) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - h) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 38 to the Financial Statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2025.





- (iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented to us 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 or entity, 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. Refer note 19 (f) to the Financial Statements.
- (b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, 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. Refer note 19 (f) to the Financial Statements.
- (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which includes a feature for recording an audit trail (edit log) and was operational throughout the year for all relevant transactions recorded in the software, except that no audit trail (edit log) functionality was enabled at the database level to capture direct changes. During the course of our audit, with respect to the audit trail of transactions, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company in accordance with the statutory requirements for record retention.

For PG BHAGWAT LLP  
Chartered Accountants  
Firm Registration Number: 101118W/W100682

  
Abhijeet Bhagwat  
Partner  
Membership Number: 136835  
UDIN: 25136835BMLYSH6941



Pune  
May 21, 2025

**Annexure A to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment (including Right to Use Asset).

(B) The Company is maintaining proper records showing full particulars of intangible assets.

- (b) The Company has a regular program for physical verification of its property, plant and equipment (including Right to Use Assets) by which its property, plant and equipment are verified every year. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program majority of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Financial Statements (refer note 3) are held in the name of the Company except as specified below

Description of Property	Gross carrying Value (Rs Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Freehold Land	35	Smartchem Technologies Limited	No	From 1 January 2022	As per the scheme of arrangement (refer note 42) the immovable properties are transferred to the Company w.e.f 1 August 2024 with appointed date of January 1, 2022. The Company is in the process of name change.
Lease Hold Land	901	Smartchem Technologies Limited	No	From 1 January 2022	
Lease Hold Land	3	Smartchem Technologies Limited	No	From 1 January 2022	
Building	6772	Smartchem Technologies Limited	No	From 1 January 2022	
Building	250	Smartchem Technologies Limited	No	From 1 January 2022	

- (d) The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.



(e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management has a policy to verify inventory every year. Inventory has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/reconciled with the unaudited books of account of the Company.

iii. According to the information and explanations provided to us, the Company has made investment in a subsidiary company and mutual funds during the year. Further, during the year, the Company has provided guarantee to its subsidiary company. The Company has not granted unsecured loans to during the year.

(a) According to the information and explanations provided to us, during the year, the Company has provided guarantee for its subsidiary company.

(A) & (B)

Aggregate amount given during the year (Rs. Lakhs)	Balance outstanding at the balance sheet date (Rs. Lakhs)	Subsidiaries, joint ventures, associates and others	Nature of transaction
90,000	2,50,000	Wholly owned subsidiary company	Corporate Guarantee

(b) According to the information and explanations provided to us and based on our review of the terms, conditions and circumstances, the investments made and guarantees provided are not prejudicial to the Company's interest.

(c) According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have not been stipulated. Therefore, reporting on the regularity of the repayments or receipts is not applicable.

(d) According to the information and explanations provided, in respect of loans, the schedule of repayment of principal and payment of interest have not been stipulated. Therefore, reporting whether there is any amount overdue is not applicable.

(e) According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.



(f) According to the information and explanations provided to us, the Company has not granted loans without terms and conditions in the current year. However, a loan balance of Rs.1,03,492 Lakhs given to wholly owned subsidiary company without specifying terms and conditions of repayment is outstanding (refer note 10 to the Financial Statement) which is 100% % of the total loans given to related parties.

- iv. 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 loans, investments, guarantees and security, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the turnover of the Company as per the financials filed with Registrar of Companies for the year ended March 31, 2024 has not crossed prescribed turnover and therefore maintenance of cost records is not applicable to the Company as specified by the Central Government under sub-section (l) of section 148 of the Act. However, as informed to us, the Company maintains the same. We have not reviewed the cost records maintained by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess. Refer note 42(b) to the financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub clause (a) above as at March 31, 2025, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Amount (in Rs. Lakhs) under dispute in the name of transferor company (includes penalty and interest) - refer note 42	Amount (in Rs. Lakhs) paid under protest by transferor company - refer note 42	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Sales tax demands	19	2	FY 2013-14	Appellate Joint Commissioner
		8	4	FY 2012-13	Sales Tax appellate Tribunal, Andhra Pradesh
		17	8	FY 2008-09 to 2011-12	Andhra Pradesh High Court





		3	2	FY 2000-01 to 2003-04	Andhra Pradesh High Court
		12	12	FY 2004-05	Sales Tax appellate Tribunal , Andhra Pradesh
Income Tax act 1961	Income tax demands	93,785	-	AY 2015-16 to 2020-21	Income Tax appellate Tribunal
AP Value Added Tax Act, 2005	Sales tax demands	1341	312	FY 2008-09 to 2014-15	Andhra Pradesh High Court
		199	101	FY 2015-16 to 2017-18	Sales Tax appellate Tribunal , Andhra Pradesh
		41	23	FY 2000-01 to 2003-04	Andhra Pradesh High Court
Goods and Service Tax Act, 2017	GST demands	1093	112	FY 2017-18	Goods and Service Tax appealte Tribunal
		16	1	FY 2019-20	Commissioner of State Tax (Appeal), Orissa
Maharashtra Municipal Corporation Act, 1949 (Panvel Municipal Corporation)	Property Tax Demand	510	30	Financial Year 2016-2017 to 2024-25	Bombay High Court

Note: Zero represents amounts below rupees fifty thousand.

- viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) Based on our audit procedures; in our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or interest thereon to any lender.
- (b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and in our opinion, term loans availed by the Company in the current year have been prima facie; applied for the purpose for which they were obtained.
- (d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis of Rs. 51,136 Lakhs have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person during the year on account of or to meet the obligations of its subsidiaries. The Company does not have associates or joint ventures.



(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have associates or joint ventures.

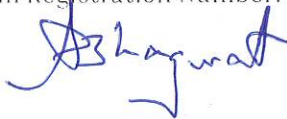
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable. However, the Company has issued equity to Holding Company as part of the Composite Scheme of Arrangement of Rs. 1705 Lakhs.
- xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.
- (b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.
- xii. In our opinion and 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, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 37 to the Financial Statements.
- xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.
- xvi. (a) In our opinion and 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, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.
- (d) According to the information and explanations given to us, there is one Core Investment Company within the Group.





- xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year after giving effect of merger for FY 2023-24. Refer note 42 to the Financial Statements.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and in our opinion section 135 of the Act on Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting on clause 3 (xx) of the Order is not applicable.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration Number: 101118W/W100682



Abhijeet Bhagwat

Partner

Membership Number: 136835

UDIN: 25136835BMLYSH6941



Pune

May 21, 2025

**Annexure B to the Independent Auditors' Report**

Referred to in paragraph 2 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on 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 the Financial Statements of Deepak Mining Solutions Limited ("the Company") as of March 31, 2025 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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





#### Meaning of Internal Financial controls with reference to the Financial Statements

A Company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the 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.

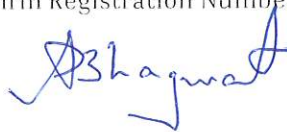
#### Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2025, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration Number: 101118W/W100682

  
Abhijeet Bhagwat  
Partner  
Membership Number: 136835  
UDIN: 25136835BMLYSH6941



Pune  
May 21, 2025

	Notes	31 March 2025	31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	40,811	42,220
Capital work-in-progress	4	1,12,282	66,329
Right of use assets	5	7,001	4,937
Goodwill	6(a)	47,046	47,046
Other intangible assets	6(b)	28,171	31,087
<b>Financial assets</b>			
i. Investments	7	2,14,438	1,86,533
ii. Loans	10	84,504	97,375
iii. Other financial assets	13	2,210	3,095
Income tax assets (net)		12,015	-
Other non-current assets	14	7,650	4,824
<b>Total non-current assets</b>		<b>5,56,128</b>	<b>4,83,446</b>
<b>Current assets</b>			
Inventories	15	10,348	10,338
<b>Financial assets</b>			
i. Investments	8	6,011	-
ii. Trade receivables	9	22,437	51,693
iii. Cash and cash equivalents	11	5,656	5
iv. Other bank balances	12	519	-
v. Loans	10	3	26
vi. Other financial assets	13	509	126
Other current assets	16	17,537	10,347
<b>Total current assets</b>		<b>63,020</b>	<b>72,535</b>
<b>Total assets</b>		<b>6,19,148</b>	<b>5,55,981</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	1,706	1
Other equity	18	3,66,547	3,14,352
<b>Total equity</b>		<b>3,68,253</b>	<b>3,14,353</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	19	1,12,446	1,21,618
ii. Lease liabilities	5	2,409	624
iii. Other financial liabilities	21	1,170	899
Provisions	22	2,007	1,502
Deferred tax liabilities (net)	24	18,707	20,094
<b>Total non-current liabilities</b>		<b>1,36,739</b>	<b>1,44,737</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	20	53,000	3,545
ii. Lease liabilities	5	731	340
iii. Trade payables			
(a) total outstanding dues of micro and small enterprises		597	1,199
(b) total outstanding dues of creditors other than micro and small enterprises	23	40,480	29,895
iv. Other financial liabilities	21	12,555	5,166
Other current liabilities	25	5,104	912
Provisions	22	392	111
Current tax liabilities (net)		1,297	55,723
<b>Total current liabilities</b>		<b>1,14,156</b>	<b>96,891</b>
<b>Total liabilities</b>		<b>2,50,895</b>	<b>2,41,628</b>
<b>Total equity and liabilities</b>		<b>6,19,148</b>	<b>5,55,981</b>

Material Accounting policies

1 - 2

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

3 - 45

As per our report of even date attached

For and on behalf of the Board of Directors of Deepak Mining Solutions Limited

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

*Abhijeet Bhagwat*

Abhijeet Bhagwat  
Partner  
Membership No.: 136835  
Place: Pune



S. C. Mehta  
Director  
DIN: 00128204  
Place: Pune

*Madhumilan Shinde*

Madhumilan Shinde  
Director  
DIN: 06533004  
Place: Pune

Upendra Patro  
Chief Financial Officer  
Place: Pune

*Pankaj Gupta*

Pankaj Gupta  
Company Secretary  
Membership No.: F - 9219  
Place: Pune



Date: 21 May 2025

Date: 21 May 2025



**Deepak Mining Solutions Limited**  
**Statement of Profit and Loss for the year ended 31 March 2025**  
(All amounts in Rs. Lakhs unless otherwise stated)

	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Income</b>			
Revenue from operations	26	2,34,392	2,11,752
Other income	27	10,733	13,631
<b>Total income</b>		<b>2,45,125</b>	<b>2,25,383</b>
<b>Expenses</b>			
Cost of materials consumed	28	1,03,856	1,02,403
Changes in inventories of finished goods	29	(1,173)	5,302
Employee benefits expense	30	17,323	10,976
Finance costs	31	9,915	10,607
Depreciation and amortisation expense	32	10,918	11,252
Other expenses	33	24,828	23,070
<b>Total expenses</b>		<b>1,65,667</b>	<b>1,63,610</b>
<b>Profit before tax</b>		<b>79,458</b>	<b>61,773</b>
<b>Tax expense</b>			
Current tax	40	20,500	21,080
Deferred tax	24	(1,342)	(1,003)
Income tax related to prior period		(3,989)	-
<b>Total tax expense</b>		<b>15,169</b>	<b>20,077</b>
<b>Profit for the year</b>		<b>64,289</b>	<b>41,696</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations	24	(181)	(12)
Income tax relating to these items		46	8
<b>Total (A)</b>		<b>(135)</b>	<b>(4)</b>
<b>Other comprehensive income for the year, net of tax liability</b>		<b>(135)</b>	<b>(4)</b>
<b>Total comprehensive income for the year</b>		<b>64,154</b>	<b>41,692</b>

Earnings per equity share of Rs. 10 each

33(b)

(a) Basic (in Rs. )

565.87

4,16,960.00

(ii) Diluted (in Rs. )

565.87

4,16,960.00

Material Accounting policies

1 - 2

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

3 - 45

As per our report of even date attached

For and on behalf of the Board of Directors of Deepak Mining Solutions Limited

**For P G BHAGWAT LLP**

Chartered Accountants

Firm Registration No.: 101118W/W100682

**S. C. Mehta**

Director

DIN: 00128204

Place: Pune

**Upendra Patro**

Chief Financial Officer

Place: Pune

**Abhijeet Bhagwat**

Partner

Membership No.: 136835

Place: Pune

**Madhumilan Shinde**

Director

DIN: 06533004

Place: Pune

**Pankaj Gupta**

Company Secretary

Membership No.: F - 9219

Place: Pune

Date: 21 May 2025

Date: 21 May 2025

**Deepak Mining Solutions Limited**  
**Statement of Cash Flows for the year ended 31 March 2025**  
(All amounts in Rs. Lakhs unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Cash flows from operating activities</b>		
Profit before tax	79,458	61,773
Adjustments for -		
Depreciation and amortisation expense	10,918	11,252
(Gain)/Loss on disposal of property, plant and equipment (net)	(1,240)	(22)
Provision for doubtful trade receivables	30	-
Provision for doubtful loans, advances and other receivable (net)	101	-
Bad Debts written off/(recovered)	(8)	(2)
Income of financial guarantee	(821)	(1,877)
Net gain on sale of investments	(110)	-
Changes in fair value of financial assets at fair value through profit or loss	(9)	-
Dividend income	(1,800)	(1,606)
Interest income	(6,728)	(9,635)
Finance costs	9,915	10,607
<b>Cash generated from operations before working capital changes</b>	<b>89,706</b>	<b>70,490</b>
Change in trade receivables	29,234	69,696
Change in inventories	(10)	9,067
Change in trade payables	(53,693)	(2,240)
Change in other financial liabilities	6,054	(15,516)
Change in other financial assets	(190)	28
Change in other non-current assets	124	1,795
Change in other current assets	(7,291)	118
Change in provisions	605	(71)
Change in other current liabilities	4,193	278
<b>Cash generated from operations</b>	<b>68,732</b>	<b>1,33,645</b>
Income taxes paid (net)	(19,275)	-
<b>Net cash generated from operating activities</b>	<b>49,457</b>	<b>1,33,645</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets (including capital work-in-progress)	(51,498)	(24,540)
Proceeds from sale of property, plant and equipment	1,416	27
Investment in equity shares of subsidiary	(6,403)	(1)
Investment in Mutual Funds (Net)	(5,892)	-
Inter corporate deposits to subsidiaries and loans to employees	-	(94,361)
Repayment of inter corporate deposit by subsidiary	23	-
Fixed deposits placed	196	(188)
Dividends received from a subsidiary	1,800	1,606
Interest received	588	9,632
<b>Net cash used in investing activities</b>	<b>(59,770)</b>	<b>(1,07,825)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings - non current	41,299	-
Repayment of borrowings - non current	(3,000)	12,863
Proceeds from borrowings - From related party	-	22,666
Repayment of borrowings - From related party	(645)	(50,000)
Dividend paid	(10,236)	-
Share issue cost	(18)	-
Payment of lease liability (net)	(841)	(558)
Interest paid	(10,595)	(10,788)
<b>Net cash from financing activities</b>	<b>15,964</b>	<b>(25,817)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,651</b>	<b>3</b>
Cash and cash equivalents at the beginning of the year	5	2
<b>Cash and cash equivalents at end of the year</b>	<b>5,656</b>	<b>5</b>

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

As per our report of even date attached

For and on behalf of the Board of Directors of Deepak Mining Solutions Limited

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

*Abhijeet Bhagwat*

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835  
Place: Pune



*S. C. Mehta*  
S. C. Mehta  
Director  
DIN: 00128204  
Place: Pune

*Madhumilan Shinde*

**Madhumilan Shinde**  
Director  
DIN: 06533004  
Place: Pune

*Upendra Patro*  
Upendra Patro  
Chief Financial Officer  
Place: Pune

*Pankaj Gupta*

**Pankaj Gupta**  
Company Secretary  
Membership No.: F - 9219  
Place: Pune



Date: 21 May 2025

Date: 21 May 2025



**Deepak Mining Solutions Limited**  
**Statement of Changes in Equity for the year ended 31 March 2025**  
(All amounts in Rs. Lakhs unless otherwise stated)

**A. Equity Share Capital**

	31 March 2025	31 March 2024
Balance as at the beginning of the year	1	1
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1</b>	<b>1</b>
Changes in equity share capital during the year	1,705	-
<b>Balance as at the end of the year</b>	<b>1,706</b>	<b>1</b>

**B. Other Equity**

	Reserves and surplus					Equity shares pending allotment	Other reserves		Total
	Securities premium	Retained earnings	General reserve	Capital redemption reserve	Equity Component of Financial Guarantee		Post-employment benefit obligation, net of tax		
Balance as at 1 April 2023	1,37,633	1,30,027	157	1,800	154	-	(446)	-	2,69,325
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,37,633	1,30,027	157	1,800	154	-	(446)	-	2,69,325
Profit for the year	-	41,696	-	-	-	-	-	-	41,696
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	-	(4)	(4)	(4)
Total comprehensive income for the year	-	41,696	-	-	-	-	(4)	(4)	41,692
Financial guarantee liability	-	-	-	-	1,630	-	-	-	1,630
Equity shares pending allotment	-	-	-	-	-	1,705	-	-	1,705
Balance as at 31 March 2024	1,37,633	1,71,723	157	1,800	1,784	1,705	(450)	-	3,14,352
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,37,633	1,71,723	157	1,800	1,784	1,705	(450)	-	3,14,352
Profit for the year	-	64,289	-	-	-	-	-	-	64,289
Remeasurements of post-employment benefit obligation (net of tax)	-	-	-	-	-	-	(135)	(135)	(135)
Total comprehensive income for the year	-	64,289	-	-	-	-	(135)	(135)	64,154
Equity shares pending allotment	-	-	-	-	-	(1,705)	-	-	(1,705)
Stamp duty expenses	(18)	-	-	-	-	-	-	-	(18)
Dividend paid	-	(10,236)	-	-	-	-	-	-	(10,236)
Balance as at 31 March 2025	1,37,615	2,25,776	157	1,800	1,784	-	(585)	-	3,66,547

Note: Refer Note 18 for nature and purpose of other equity.

As per our report of even date attached

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration No.: 101118W/W100682



**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835  
Place: Pune

For and on behalf of the Board of Directors of Deepak Mining Solutions Limited

**S. C. Mehta**  
Director  
DIN: 00128204  
Place: Pune

**Upendra Patro**  
Chief Financial Officer  
Place: Pune

**Madhumita Shinde**  
Director  
DIN: 06533004  
Place: Pune

**Pankaj Gupta**  
Company Secretary  
Membership No.: F-9219  
Place: Pune



Date: 21 May 2025

Date: 21 May 2025

## Deepak Mining Solutions Limited

### Notes to the financial statements for the year ended 31 March 2025

#### Note 1: The Company and Nature of its Operations:

Deepak Mining Solutions 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 mining chemicals.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 21, 2025.

#### Note 2: Material Accounting Policies

This note provides a list of the material 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 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





## Deepak Mining Solutions Limited

### Notes to the financial statements for the year ended 31 March 2025

- 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.

#### ii. Historical cost convention

- a) The Financial Statements have been prepared on historical cost basis, except the following:
  - Derivative financial instruments; and
  - Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- 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 construes value less than Rs 50,000.

#### (b) Significant accounting estimates, assumptions and judgements.

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

#### Estimates, assumptions and judgements

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

#### 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 number of factors including future taxable income.



## **Deepak Mining Solutions Limited**

**Notes to the financial statements for the year ended 31 March 2025**

### **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. 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 PPE, consequently leading to a change in the future depreciation charge.

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.

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.

### **Provision for Litigation and Claims**

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. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable. Significant judgement is also involved in bifurcation of contingent liabilities between transferrer company i.e. Mahadhan AgriTech Limited and transferee company i.e. Deepak Mining Solution Limited as per the scheme of arrangement

### **Impairment of investment in subsidiaries**

The Company review its carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Statement of Profit and Loss.





## **Deepak Mining Solutions Limited**

### **Notes to the financial statements for the year ended 31 March 2025**

#### **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) 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.

#### **(d) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer i.e. when the customer is able to direct the use of the transferred goods or rendering of services and obtains substantially all of the remaining benefits at an amount that reflects the consideration entitled in exchange for those goods or services. The policy of recognizing the revenue is determined by the five-stage model specified in Ind AS 115 "Revenue from 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 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.



## Deepak Mining Solutions Limited

### Notes to the financial statements for the year ended 31 March 2025

#### (d) Revenue recognition (continued)

##### Dividend Income:

Dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

#### (e) 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 generates 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 the amount 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.

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.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (f) 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 Land, building and equipment. These lease contracts are entered by the Company to conduct its business in ordinary course. 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.



## Deepak Mining Solutions Limited

### Notes to the financial statements for the year ended 31 March 2025

#### (g) Business Combinations:

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated 11 July 2024 ("Order"), with effect from the Appointed Date i.e., 1 January 2022, TAN Business (Mining Chemicals) from the Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited) demerged to Deepak Mining Solutions Limited [(DMSPL) (Formerly Deepak Mining Services Private Limited)], a wholly owned subsidiary of the Deepak Fertilisers And Petrochemicals Corporation Limited. The Scheme has been filed with Mumbai Bench of National Company Law Tribunal (NCLT) on 21 December 2022.

The business combination has been accounted in accordance with 'Pooling of Interest Method' Laid down by Appendix C of Indian Accounting standard 103 (IND AS 103): (Business combinations of entities under common control), notified under the companies Act, 2013. Accordingly all assets, liabilities pertains to TAN business have been transferred to DMSL. Comparative accounting period presented in the financial statements of the company has been restated for the accounting impact of the business combination as stated above.

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 acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (g) Business Combinations (continued):

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.



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (h) 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.

### (i) 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.

### (j) 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.

### (k) 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.
- 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.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (I) Investments and other financial instruments

#### (i) Classification

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

- 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.



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (I) Investments and other financial instruments (continued)

- **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 (FVTPL):** 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 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.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (I) Investments and other financial instruments (continued)

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.

An embedded derivative is a component of a hybrid (combined) instrument that includes both a host contract and a derivative. The derivative affects some or all of the cash flows of the host contract in a way similar to a standalone derivative.

An embedded derivative must be separated from the host contract and accounted for as a derivative if all the following conditions are met:

- The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- The hybrid instrument is not measured at fair value through profit or loss (FVPL)

If these conditions are met, the embedded derivative is bifurcated and accounted for separately.

Embedded derivatives that are separated are measured at fair value, with changes recognized in profit or loss and the host contract is accounted for based on its own classification

#### 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 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).



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (l) Investments and other financial instruments (continued)

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.

### (m) 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.





**Deepak Mining Solutions Limited****Notes to the financial statements for the year ended 31 March 2025****(m) Property, plant and equipment (continued)**

Name of Assets	Estimated Useful Life
Computers - Servers and Networks	3 – 6
End User Devices such as, desktops, laptops etc.	3 – 6
Vehicles	4 – 8
Buildings (other than Factory Buildings) RCC Frame Structure	61
Plant and Machinery	Various estimated lives up to 25 years.

- 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.

**Capital work in progress (CWIP)**

Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

**(n) 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.



## Deepak Mining Solutions Limited

### Notes to the financial statements for the year ended 31 March 2025

#### (o) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the standalone Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computer software	3 to 8
License fees	3 to 8
Operating rights	10

#### 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.

#### (p) 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.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (q) 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.

### (r) 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.

### (s) 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.

### (t) 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



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (t) Employee benefits (continued)

the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### 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 if any. 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, if any. 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.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (t) Employee benefits (continued)

#### 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.

### (u) 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. 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.

### (v) 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.

### (w) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

### (x) Changes in significant accounting policies

There have been no changes in accounting policies during the financial year 2024-25



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### (y) Recent Pronouncements

#### Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified amendments to the existing standards:

1. Ind AS 117 – Insurance Contracts
2. Ind AS 116 – Sale and Leaseback

The amendments of the above standard are not expected to have material impact for the Company.





# Deepak Mining Solutions Limited

Notes to the financial statements for the period ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

## Note 3 : Property, Plant and Equipment

	Freehold Land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Vehicles	Total
As at 1 April 2023	35	5,690	73,461	1,496	195	660	83	331	81,951
Additions	-	281	6,699	172	23	339	2	23	7,539
Disposals	-	-	-	(35)	-	(9)	-	(27)	(71)
Gross carrying amount as at 31 March 2024	35	5,971	80,160	1,633	218	990	85	327	89,419
Accumulated depreciation									
Balance as at 1 April 2023	-	(1,768)	(36,802)	(893)	(156)	(426)	(58)	(183)	(40,286)
Depreciation charge for the year	-	(480)	(6,249)	(68)	(6)	(129)	(11)	(35)	(6,978)
On disposals	-	-	-	32	-	6	-	27	65
Accumulated depreciation as at 31 March 2024	-	(2,248)	(43,051)	(929)	(162)	(549)	(69)	(191)	(47,199)
Net carrying amount as at 31 March 2024	35	3,723	37,109	704	56	441	16	136	42,220
Gross carrying amount									
As at 1 April 2024	35	5,971	80,160	1,633	218	990	85	327	89,419
Additions	-	1,054	4,118	107	15	538	12	107	5,951
Disposals	-	-	(785)	-	(2)	(8)	-	(41)	(836)
Gross carrying amount as at 31 March 2025	35	7,025	83,493	1,740	231	1,520	97	393	94,534
Accumulated depreciation									
Balance as at 1 April 2024	-	(2,248)	(43,051)	(929)	(162)	(549)	(69)	(191)	(47,199)
Depreciation charge for the year	-	(373)	(6,523)	(87)	(8)	(149)	(3)	(44)	(7,187)
On disposals	-	-	619	-	2	8	-	34	663
Accumulated depreciation as at 31 March 2025	-	(2,621)	(48,955)	(1,016)	(168)	(690)	(72)	(201)	(53,723)
Net carrying amount as at 31 March 2025	35	4,404	34,538	724	63	830	25	192	40,811

Notes:

1. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. Refer Note 19 for information on property, plant and equipment provided as security by the Company.
3. Refer Note 2.3(c) for policy on depreciation.

## 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 promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land	35	Smartchem Technologies Limited	No	2000 Onwards	Smartchem Technologies Limited (STL) name changed to Mahadhan AgriTech Limited with effect from 20 April 2023.
Property, Plant and Equipment	Building (Taloja: K1, K7 and K8)	6,772	Mahadhan AgriTech Limited	No	2022	As per the scheme of arrangement (refer note 42) the immovable properties are transferred to the Company w.e.f 1 August 2024 with appointed date of 1 January 2022.
Property, Plant and Equipment	Building (Srikakulam)	250	Mahadhan AgriTech Limited	No	2022	The Company is in process of name change.
Right of use asset	Leasehold Land (Taloja: K1, K7 and K8)	901	Mahadhan AgriTech Limited	No	2022	Smartchem Technologies Limited (STL) name changed to Mahadhan AgriTech Limited with effect from 20 April 2023.
Right of use asset	Leasehold Land (Srikakulam)	3	Smartchem Technologies Limited	No	2000 Onwards	Smartchem Technologies Limited (STL) name changed to Mahadhan AgriTech Limited with effect from 20 April 2023.



# Deepak Mining Solutions Limited

Notes to the financial statements for the period ended 31 March 2025  
(All amounts in Rs. Lakhs unless otherwise stated)

## Note 4 : Capital Work-in-Progress

	31 March 2025	31 March 2024
Projects (Mainly comprising of Technical Ammonium Nitrate Plant at Gopalpur) #	1,11,152	60,006
Others	1,130	6,323
<b>Total</b>	<b>1,12,282</b>	<b>66,329</b>

# Includes cumulative borrowing cost of Rs. 19,426 lakhs (31 March 2024 Rs. 16,030 lakhs).

The rate of borrowings used for capitalisation is 9.30%

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

	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP					
CWIP in progress	51,507	12,053	9,556	39,166	1,12,282

	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
CWIP					
CWIP in progress	16,472	10,671	6,393	32,793	66,329

Note :

1) Projects temporarily suspended during the year ended 31 March 2025 Rs. NIL (31 March 2024 Rs. NIL)

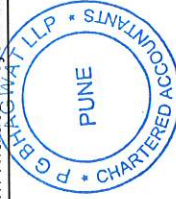
(b) For capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

### For the year ended 31 March 2025

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	1,10,088	-	-	-	1,10,088

### For the year ended 31 March 2024

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Technical Ammonium Nitrate Project at Gopalpur	-	-	59,163	-	59,163





**Deepak Mining Solutions Limited**

Notes to the financial statements for the period ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Note 5 : Leases****A. Right of use assets**

Particulars	Land and Building	Office Equipment	Leasehold Land	Total
Balance as at 1 April 2023	572	660	4,044	5,276
Add: Addition during the year	-	231	46	277
Gross carrying amount as on 31 March 2024	572	891	4,090	5,553
Accumulated amortisation as at 1 April 2023	(119)	(98)	(40)	(257)
Add: Amortisation for the year	(182)	(163)	(14)	(359)
Closing accumulated amortisation as at 31 March 2024	(301)	(261)	(54)	(616)
Balance as at 31 March 2024	271	630	4,036	4,937
Balance as at 1 April 2024	572	891	4,090	5,553
Add: Addition during the year	2,783	-	-	2,783
Less: Deletion	(572)	(1)	-	(573)
Gross carrying amount as on 31 March 2025	2,783	890	4,090	7,763
Accumulated amortisation as at 1 April 2024	(301)	(261)	(54)	(616)
Add: Amortisation for the year	(249)	(184)	(14)	(447)
Less: Amortisation on deletion of asset	301	-	-	301
Closing accumulated amortisation as at 31 March 2025	(249)	(445)	(68)	(762)
Balance as at 31 March 2025	2,534	445	4,022	7,001

**B. Lease liabilities**

Particulars	31 March 2025	31 March 2024
Opening Balance	964	1,118
Add: Addition during the year	2,783	231
Add: Finance charge for the period	234	173
Less: Lease rental paid	(841)	(558)
Closing balance	3,140	964

Particulars	31 March 2025	31 March 2024
Current	731	340
Non Current	2,409	624
Total	3,140	964

**C. Interest expenses on lease liabilities**

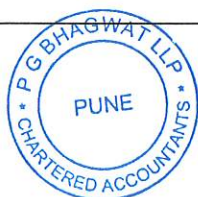
Particulars	31 March 2025	31 March 2024
Interest on lease liabilities	234	173

**D. Expenses on short term leases / low value assets**

Particulars	31 March 2025	31 March 2024
Short term lease	86	98

**E. Amounts recognised in the statement of cash flow**

Particulars	31 March 2025	31 March 2024
Total cash outflow for leases		
a) Short term leases (Refer (D) above)	86	98
b) Other leases (accounted for as right to use asset)	841	558
Total	927	656



# Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

## Note 6 (a): Goodwill

	31 March 2025	31 March 2024
Opening Balance	47,046	47,046
Adjustments during the year	-	-
<b>Total</b>	<b>47,046</b>	<b>47,046</b>

## Note:

The Composite Scheme between Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) ("Demerged Company" or "Transferee Company" or "MAL"), Deepak Mining Solutions Limited (Formerly known as Deepak Mining Solutions Private Limited) ("Resulting Company" or "DMSL") and Mahadhan Farm Technologies Private Limited ("Transferor Company" or "MFTPL") and their respective shareholders ("Scheme") approved by the Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT) on 28 June 2024 and was made effective from 1 August 2024. The Appointed date of Scheme was 1 January 2022.

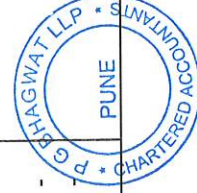
Technical Ammonium Nitrate business including all movable and immovables assets (including Goodwill) and liabilities were transferred to DMSL.

The management has performed the impairment testing of all the companies identified as CGUs based on the revenue generated, profit earned, return on investment, market valuation of ongoing projects and net worth of these companies. Based on assessment of all these factors, management is of the view that there is no indicator of impairment in any of the companies and did not result in any probable scenario in which the recoverable amount of the CGUs would decrease below the carrying amount.

## Note 6 (b): 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 2023	37	-	166	2,726	57,855	60,784
Additions	-	-	-	-	-	-
Gross carrying amount as on 31 March 2024	37	-	166	2,726	57,855	60,784
Additions	5	-	-	-	-	5
Gross carrying amount as on 31 March 2025	42	-	166	2,726	57,855	60,789
Accumulated Amortisation						
Accumulated amortisation as at 1 April 2023	23	-	159	2,726	23,885	26,793
Amortisation charge for the year	4	-	2	-	2,898	2,904
Closing accumulated amortisation as at 31 March 2024	27	-	161	2,726	26,783	29,697
Amortisation charge for the year	7	-	1	-	2,913	2,921
Closing accumulated amortisation as at 31 March 2025	34	-	162	2,726	29,696	32,618
Net Block as at 31 March 2025	8	-	4	-	28,159	28,171
Net Block as at 31 March 2024	10	-	5	-	31,072	31,087

Note: Refer Note 2.3(d) for policy on amortisation





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**FINANCIAL ASSETS****Note 7 : Investment - non-current**

	31 March 2025	31 March 2024
Investments carried at cost		
Investments in equity shares (unquoted) of subsidiaries (fully paid-up)		
95,200 (31 March 2024 : 72,800) equity shares of Platinum Blasting Services Pty Ltd of AUD 100 each	11,518	3,769
fully paid up		
191,509 (31 March 2024 : 191,509) equity shares of Performance Chemiserve Limited of Rs. 10 each	1,78,598	1,78,598
Deemed investment in Performance Chemiserve Limited*	24,322	4,166
<b>Total</b>	<b>2,14,438</b>	<b>1,86,533</b>

(i) During the year additional 20% stake has been purchased in Platinum Blasting Services Pty Ltd. for Rs. 7,749 Lakhs which includes contingent consideration of Rs. 1,346 Lakhs recorded in other financial liabilities.

(ii) The Company has complied with the number of layers of companies as prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(iii) Refer Note 34(i) for Fair value measurements of financial assets and liabilities and Note 34(ii) for Fair value hierarchy disclosures for financial assets and liabilities.

\*In accordance with Ind AS 109, financial instrument, the difference between fair valuation and transaction price of corporate guarantee issued to banks on behalf of subsidiary company and intercorporate deposits is recognised as deemed investment.

**Note 8 : Current Investments**

	Units as on 31 March 2025	Units as on 31 March 2024	31 March 2025	31 March 2024
<b>Quoted</b>				
Investment in mutual funds (measured at fair value through profit and loss)				
Aditya Birla SL Overnight Fund-Reg(G)	43,869	-	601	-
Bandhan Liquid Fund - Reg(G)	32,271	-	1,002	-
Invesco India Liquid Fund - Reg(G)	28,370	-	1,002	-
Kotak Overnight Fund-Reg(G)	44,402	-	601	-
Mirae Asset Liquid Fund - Reg(G)	18,591	-	501	-
Mirae Asset Overnight Fund-Reg(G)	53,801	-	701	-
Nippon India Overnight Fund-Reg(G)	3,67,735	-	501	-
SBI Liquid Fund - Reg(G)	12,470	-	501	-
SBI Overnight Fund-Reg(G)	14,664	-	601	-
<b>Total</b>			<b>6,011</b>	<b>-</b>
Aggregate carrying value of quoted investments			<b>6,011</b>	<b>-</b>
Aggregate market value of quoted investments			<b>6,011</b>	<b>-</b>



# **Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025  
(All amounts in Rs. Lakhs unless otherwise stated)

## **Note 9 : Trade receivables**

	31 March 2025	31 March 2024
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	25,564	54,790
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired Unsecured	-	-
Less: Impairment loss allowance	(3,127)	(3,097)
<b>Total</b>	<b>22,437</b>	<b>51,693</b>

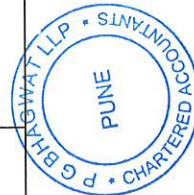
## **Movement in allowance for expected credit loss:**

	31 March 2025	31 March 2024
Balance as at the beginning of the year	3,097	3,097
Add: Allowance for expected credit loss	30	-
<b>Balance as at the end of the year</b>	<b>3,127</b>	<b>3,097</b>

## **Trade Receivables ageing schedule**

Particulars	Not due	Outstanding for following periods from due date of payment as on 31 March 2025					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	18,656	3,046	480	89	98	3,195	25,564
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	(22)	(13)	(3,092)	(3,127)
Less: Impairment loss allowance	-	-	-	-	-	-	-
<b>Total</b>	<b>18,656</b>	<b>3,046</b>	<b>480</b>	<b>67</b>	<b>85</b>	<b>103</b>	<b>22,437</b>

Particulars	Not due	Outstanding for following periods from due date of payment as on 31 March 2024					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	44,284	6,939	244	124	-	3,199	54,790
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	(1)	-	-	-	(3,096)	(3,097)
Less: Impairment loss allowance	-	-	-	-	-	-	-
<b>Total</b>	<b>44,284</b>	<b>6,938</b>	<b>244</b>	<b>124</b>	<b>-</b>	<b>103</b>	<b>51,693</b>





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Note 10 : Loans**

	31 March 2025		31 March 2024	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Inter corporate deposits to subsidiaries (Refer note 37 (b))	-	84,504	-	97,375
Loan to employees	3	-	26	-
<b>Total</b>	<b>3</b>	<b>84,504</b>	<b>26</b>	<b>97,375</b>

\*In accordance with Ind AS 109, financial instrument, the difference between fair valuation and transaction price of corporate guarantee issued to banks on behalf of subsidiary company and intercorporate deposits is recognised as deemed investment. Note: Interest coupon rate on Inter corporate deposit was at 8.85% upto 31st July 2024. On 1st Aug 2024 terms of ICD modified and accordingly ICD was converted to convertible ICD with the option of conversion to Equity Shares of the subsidiary Company namely Performance Chemiserve Limited, within a period of 2 years at the predetermined conversion price of Rs. 1,65,099.90 per share. Conversion price was as per the valuation report of Independent Valuer. Considering the option of conversion coupon rate was reduced from 8.85% to 4%. As per IND AS 109, the conversion option is treated embedded derivative and therefore the whole ICD is subsequently measured at FVTPL.

1. 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 or without any repayment term

Particulars	31 March 2025		31 March 2024	
	Amount of loan or advance in the nature of loan outstanding (Includes Deemed Investment)	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 (wholly owned subsidiaries) Refer Note 37 (b)	1,03,492	100.00%	97,375	99.97%

2. During the year, the Company has not provided loans to its wholly owned subsidiary for further investment in its step down subsidiary.

**Note 11 : Cash and cash equivalents**

	31 March 2025	31 March 2024
Balances with banks in current accounts	3,156	5
Deposits with original maturity up to three months	2,500	-
<b>Total</b>	<b>5,656</b>	<b>5</b>

Note: The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.

**Note 12 : Other bank balances**

	31 March 2025	31 March 2024
Deposits with maturity 3 -12 months (Lien against borrowings)	519	-
<b>Total</b>	<b>519</b>	<b>-</b>

**Note 13 : Other financial assets**

	31 March 2025		31 March 2024	
	Current	Non Current	Current	Non Current
Unsecured - Considered Good				
Interest receivable	18	-	14	-
Financial guarantee asset	476	1,155	112	1,518
Security deposits	-	1,055	-	881
Deposit with banks with maturity more than twelve months from the reporting date	-	-	-	696
Others	15	-	-	-
<b>Total</b>	<b>509</b>	<b>2,210</b>	<b>126</b>	<b>3,095</b>

**Note 14 : Other non-current assets**

	31 March 2025	31 March 2024
Capital advances	7,619	4,669
Balance with government authorities	1	155
Stamp duty paid under protest	30	-
<b>Total</b>	<b>7,650</b>	<b>4,824</b>

**Note 15 : Inventories**

	31 March 2025	31 March 2024
Raw materials	2,380	6,247
Finished goods	1,480	307
Stores and spares (includes Rs. 134 Lakhs in transit) (31 March 2024 Rs. NIL)	6,275	3,334
Packing materials	213	450
<b>Total</b>	<b>10,348</b>	<b>10,338</b>

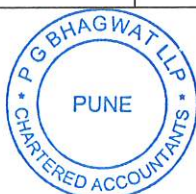
Notes:

(i) The cost of inventories recognised as an expense includes Rs. NIL Lakhs (31 March 2024: Rs. NIL Lakhs) in respect of write-down of inventories to net realisable value.

(ii) Refer Note 2.3(k) for policy on Valuation of Inventories.

**Note 16 : Other current assets**

	31 March 2025	31 March 2024
Advances for supply of goods and services	3,295	3,092
Balances with government authorities	13,428	5,876
Prepaid expenses	309	196
Other receivables	505	1,183
<b>Total</b>	<b>17,537</b>	<b>10,347</b>



**Note 17 : Equity share capital**

	31 March 2025	31 March 2024
<b>Authorised</b>		
2,00,00,000 equity shares of Rs. 10 each (31 March 2024: 10,000 equity shares of Rs. 10 each)	2,000	1
	<b>2,000</b>	<b>1</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
1,70,60,000 equity shares of Rs. 10 each (31 March 2024: 10,000 equity shares of Rs 10 each)	1,706	1
<b>Fully paid-up share capital as at the year end</b>	<b>1,706</b>	<b>1</b>

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

	31 March 2025		31 March 2024	
Equity Shares	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning and at the end of the year	10,000	1	10,000	1
Add: Issued during the year (Refer Note: 42)	1,70,50,000	1,705	-	-
	<b>1,70,60,000</b>	<b>1,706</b>	<b>10,000</b>	<b>1</b>

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 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 numbers of equity shares held by the shareholder.

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

	31 March 2025		31 March 2024	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertilisers and Petrochemicals Corporation Limited	1,70,60,000	100%	10,000	100%

Shares held by promoters Promoter Name	As on 31 March 2025		As on 31 March 2024		% of Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1) Deepak Fertilisers and Petrochemicals Corporation Limited	1,70,60,000	100%	10,000	100%	-

**Note 18 : OTHER EQUITY (Refer Statement of Changes in Equity for Reserves movement)**

**Nature and purpose of other equity**

**(a) Securities premium:** Amount received in excess of face value of the equity shares is recognised as Securities Premium. The reserve is eligible for utilisation in accordance with the provisions of the Companies Act, 2013.

**(b) Capital redemption reserve:** The Company had issued redeemable preference shares and as per the provisions of the Companies Act, 2013, where preference shares are redeemed out of divisible profits, an amount equal to the nominal value of shares so redeemed must be transferred to capital redemption reserve, out of divisible profits. Accordingly, this reserve is created and utilisation will be as per the provisions of the Companies Act, 2013.

**(c) General reserve:** This represents appropriation of profits by the Company to General Reserve and is available for distribution of dividend.

**(d) Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**(e) Fair value of financial guarantee:** The Holding Company has provided the guarantee for the funds raised by the Company for which guarantee commission is neither planned nor likely to be settled in near future and accordingly, fair value of the guarantee commission is recorded as a component of equity.

**(f) Re-measurement of defined benefit plans:** This represents the cumulative gains and losses arising on the re-measurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

**Financial Liabilities**

**Note 19 : Non-current borrowings .**

	Term of Paymentand Maturity date	Interest rate	31 March 2025	31 March 2024
<b>Secured</b>				
<b>Term loans</b>				
Export Import Bank of India (Loan 1)	Repayable in 16 quarterly installments starting December 2023	8.80% per annum	6,260	9,241
Canara Bank Technical Ammonium Nitrate (TAN) Project (Loan 2)		9.30% per annum	24,446	5,795
Union Bank of India TAN Project (Loan 2)			11,053	2,820
State Bank of India TAN Project (Loan 2)	Repayable in 40 quarterly installments starting December 2026		10,905	2,878
Punjab National Bank TAN Project (Loan 2)			11,140	2,875
<b>Debentures</b>				
<b>Unsecured</b>				
Optionally Convertible Debentures from Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)	Optionally convertible anytime after 1 year from the date of allotment at the option of DFPCL Maturity - At the end of 10 years from date of allotment	7.78% to 8.07% per annum	-	50,000
Optionally Convertible Debentures from Robust Marketing Services Private Limited (RMSPL)	Optionally convertible anytime after 1 year from the date of allotment at the option of RMSPL Maturity - At the end of 10 years from date of allotment	7.78% to 8.07% per annum	-	15,135
Optionally Convertible Debentures from SCM Commercial Private Limited (SCM CPL)	Optionally convertible anytime after 1 year from the date of allotment at the option of SCM CPL Maturity - At the end of 10 years from date of allotment	7.78% to 8.07% per annum	15,135	-
<b>Other</b>				
<b>Unsecured</b>				
From related party*	Repayable on Sep 2026	9%	36,507	35,874
<b>Total non-current borrowings</b>			<b>1,15,446</b>	<b>1,24,618</b>
Less: Current maturities of long-term debt (Refer Note 20)			3,000	3,000
<b>Total</b>			<b>1,12,446</b>	<b>1,21,618</b>



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Notes:**

(a) The term loan from Export Import Bank of India (Loan 1) is secured by exclusive charge over the movable fixed assets by way of hypothecation and immovable fixed assets by way of mortgage situated at Plot No. K7 and K8 at MIDC, Talaja.

(b) The term loans from Canara Bank, Panjab National Bank, State Bank of India and Union Bank of India (Loan 2) have been availed for financing of TAN Gopalpur Project. The term loans are secured by way of first pari passu charge on TAN Project movable and immovable assets (present and future).

(c) OCD of Rs 15,135 Lakhs transferred from Robust Marketing Services Private Limited to SCM Commercial Private Limited w.e.f. 29th March 2025

(d) \*The loan from related party i.e. is from Deepak Fertilisers and Petrochemicals Corporation limited (holding company).

(e) The Company has registered all the required charges with Registrar of Companies within the statutory period.

f) During The year, the Company has neither received any funds from any person or entity, including foreign entities ("Funding Parties") nor advance or loaned or invested funds to any person or entity, with the understanding, whether recorded in writing or otherwise, that the Company/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 Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g) The Company has complied the relevant provisions of the Companies Act 2013 and the transactions are not violative of the Prevention of Money Laundering Act 2002 (15 of 2003).

**Note 20 : Current borrowings**

	31 March 2025	31 March 2024
Loans repayable on demand		
Secured		
- Current maturities of non-current borrowings	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
Unsecured		
- From related party (Deepak Fertilisers and Petrochemicals Corporation Limited)	-	545
- Optionally Convertible Debentures from Deepak Fertilisers and Petrochemicals Corporation Limited	50,000	-
<b>Total current borrowings</b>	<b>50,000</b>	<b>545</b>
<b>Total</b>	<b>53,000</b>	<b>3,545</b>

**RECONCILIATION OF BORROWINGS AS REQUIRED BY Ind AS 7 "STATEMENT OF CASH FLOWS"**

Particulars	31 March 2025	31 March 2024
Non-current borrowings (refer note 19)	1,12,446	1,21,618
Current borrowings (refer note 20)	53,000	3,545
Interest accrued (refer note 21)	2,092	2,239
Non-current Lease liabilities (refer note 5)	2,409	624
Current Lease liabilities (refer note 5)	731	340
	<b>1,70,678</b>	<b>1,28,366</b>
<b>Cash and Non-cash adjustments</b>		
Proceeds from non-current borrowings	41,299	-
Repayment of non-current borrowings	(3,000)	12,863
Proceeds from borrowings - From related party	-	22,666
Repayment of borrowings - From related party	(645)	(50,000)
Reduction/ Increase in interest accrued	(147)	2,226
Processing fees accounted for in borrowings	2,629	11,998
Interest on lease liabilities	234	173
Addition on account on new leases	2,783	1,713
Lease payment	(841)	(558)
<b>Movement of borrowings (net)</b>	<b>42,312</b>	<b>1,081</b>

**Note 21 : Other financial liabilities**

	31 March 2025	31 March 2024
<b>Non-current</b>		
Financial Guarantee Liability	1,170	899
<b>Total</b>	<b>1,170</b>	<b>899</b>
<b>Current</b>		
Interest accrued	2,092	2,239
Security deposits	153	190
Capital creditors [includes Rs. 509 Lakhs dues to Micro and Small Enterprises (refer note 23)]	1,816	1,757
Commission payable to director	5,794	-
Financial Guarantee Liability	551	475
Salary payable	777	450
Consideration payable as per agreement for additional equity in subsidiary mandatorily at FVTPL	1,346	-
Others	26	55
<b>Total</b>	<b>12,555</b>	<b>5,166</b>



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Note 22 : Provisions**

	31 March 2025		31 March 2024	
	Current	Non-Current	Current	Non-Current
<b>Provision for employee benefits</b>				
Gratuity	262	1,678	-	1,122
Compensated absences	53	274	64	274
Defined pension benefits	77	55	47	106
<b>Total</b>	<b>392</b>	<b>2,007</b>	<b>111</b>	<b>1,502</b>

**(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	31 March 2025	31 March 2024
Employer's contribution to provident fund	382	348
Employer's contribution to employee's pension scheme	84	86
Employer's contribution to superannuation fund	256	248
Employer's contribution to employee state insurance	1	2
<b>Total</b>	<b>723</b>	<b>684</b>

**(B) Defined Benefit Plans****(i) Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit which is equivalent to fifteen days of last drawn salary for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 6.70% p.a. (31 March 2024: 7.20% 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 2024: 60 years) and mortality table is as per IALM (2012-14) (31 March 2024: IALM (2012-14)).

The estimates of future salary increases considered in actuarial valuation is 9% p.a. (31 March 2024: 8% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	1,122	1,990
Current service cost	171	160
Transfer In / (Out)	(65)	(337)
Adjustment	667	(667)
Interest cost	113	141
Actuarial (gain)/loss	230	16
Benefits paid	(298)	(181)
Present value of obligation at the end of the year	1,940	1,122

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

Particulars	31 March 2025	31 March 2024
Present value of obligation at the end of the year	1,940	1,122
Fair value of plan assets at the end of the year	-	-
Net (asset)/liabilities recognised in the Balance Sheet	1,940	1,122

**Fair value of Plan assets:**

Particulars	31 March 2025	31 March 2024
Plan assets at the beginning of the year	-	778
Adjustments to Fund	-	(667)
Transfer In / (Out)	-	(337)
Interest Income	-	64
Contribution by employer	-	159
Actuarial gain/(loss)	-	3
Plan assets at the end of the year	-	-

Due to demerger as per the scheme of arrangement, all the assets and liabilities were transferred to the company except plan asset as there is no legal provision to transfer the same.

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

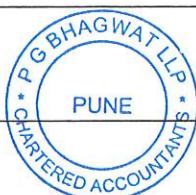
Particulars	31 March 2025	31 March 2024
Current service cost	171	160
Interest cost	113	77
Transfer In / (Out)	(65)	-
Expense recognised in the Statement of Profit and Loss	219	237

**Amount recognised in the other comprehensive income:**

Particulars	31 March 2025	31 March 2024
Remeasurements Cost / (Credit)	230	16
Actuarial (gain)/loss	-	(3)
Amount recognised in the Other Comprehensive Income	230	13

**Remeasurements for the year (Actuarial (Gain)/ Loss)**

Particulars	31 March 2025	31 March 2024
Experience Loss on plan liabilities	92	(4)
Demographic Loss on plan liabilities	-	-
Financial (Gain)/ Loss on plan liabilities	138	21
Experience (Gain) / Loss on plan assets	-	1
Financial (Gain) / Loss on plan assets	-	(5)





**Categories of the fair value of total plan assets:**

Particulars	31 March 2025	31 March 2024
Funds managed by insurer	-	-
(%) of total plan assets	0%	0%

**Sensitivity analysis :**

Particulars	31 March 2025		31 March 2024	
	Discount rate		Discount rate	
	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	(106)	118	904	1,114

Particulars	31 March 2025		31 March 2024	
	Future salary increase		Future salary increase	
	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	96	(88)	1,093	922

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.

**Maturity profile of defined benefit obligation is as follows:**

Particulars	31 March 2025	31 March 2024
Within the next 12 months (next annual reporting period)	262	367
Later than 1 year and not later than 5 years	1,349	1,550
Later than 5 year and not later than 9 years	1,430	1,469
Total	3,041	3,386

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 10.11 years (31 March 2024: 8.96 years)

**Expected contribution for next year:**

The company intends to contribute Rs. NIL in 2025 (Rs. NIL in 2024)

**RISK EXPOSURE AND ASSET LIABILITY MATCHING**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

**1. Liability Risks**

**a. Asset-Liability Mismatch Risk-**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

**b. Discount Rate Risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

**c. Future Salary Escalation and Inflation Risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**2. Asset Risks**

The Company operates a defined benefit gratuity plan that is non-funded, i.e., no separate trust or fund has been established to meet the future gratuity obligations. The liability for the gratuity plan is recognized in the books based on actuarial valuation carried out at the end of each financial year. The company generates sufficient funds and has financial position to pay on its own.

**(ii) Defined pension benefits (Unfunded)**

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 6.70% p.a. (31 March 2024: 7.20% 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 2024: 60 years) and mortality table is as per IALM (2012-14) (31 March 2024: IALM (2012-14)).

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

Particulars	31 March 2025	31 March 2024
Present value of obligation at the beginning of the year	153	131
Current service cost	16	14
Past service cost	-	-
Interest cost	11	9
Actuarial (gain)/loss	(48)	(1)
Benefits paid	-	-
Present value of obligation at the end of the year	132	153

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

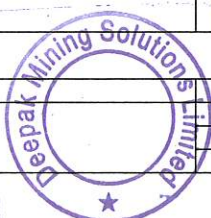
Particulars	31 March 2025	31 March 2024
Current service cost	16	14
Past service cost	-	-
Interest cost	11	9
Expense recognised in the Statement of Profit and Loss	27	23

**Amount recognised in the other comprehensive income:**

Particulars	31 March 2025	31 March 2024
Actuarial (gain)/loss on plan assets	(48)	(1)
Amount recognised in the Other Comprehensive Income	(48)	(1)

**Sensitivity analysis :**

Particulars	31 March 2025		31 March 2024	
	Discount rate		Discount rate	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit	(32)	43	(36)	49



# Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025  
(All amounts in Rs. Lakhs unless otherwise stated)

## Note 23 : Trade payables

	31 March 2025	31 March 2024
Trade payables		
(a) total outstanding dues of micro and small enterprises	597	1,199
(b) total outstanding dues of trade payables other than micro and small enterprises	40,480	29,895
<b>Total</b>	<b>41,077</b>	<b>31,094</b>

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

	31 March 2025	31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,106	-
- Principal amount outstanding (whether due or not) to micro and small enterprises [includes payable to capital creditors Rs. 509 Lakhs dues to Micro and Small Enterprises]	1,071	-
- Interest due thereon	-	-
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	4,208	-
Amount of interest due and payable on delayed payments	5	-
Amount of interest accrued and remaining unpaid as at year end	35	-
The amount of further interest remaining due and payable even in the succeeding year	-	-

## 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.

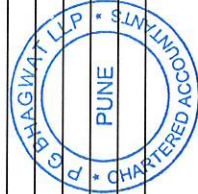
## Trade Payables aging schedule

As at March 2025

Particulars	Not Due / Unbilled	Outstanding for following periods from due date of payment				Total
		As on 31 March 2025 Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	35	495	26	17	24	597
(ii) Others	27,402	13,006	12	14	46	40,480
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>27,437</b>	<b>13,501</b>	<b>38</b>	<b>31</b>	<b>70</b>	<b>41,077</b>

As at March 2024

Particulars	Not Due / Unbilled	Outstanding for following periods from due date of payment				Total
		As on 31 March 2024 Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	856	343	-	-	-	1,199
(ii) Others	5,489	24,261	70	17	58	29,895
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>6,345</b>	<b>24,604</b>	<b>70</b>	<b>17</b>	<b>58</b>	<b>31,094</b>





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Note 24 : Deferred tax liabilities (net)**

The balance comprises temporary differences attributable to:

	31 March 2025	31 March 2024
(a) Deferred tax assets	729	713
(b) Deferred tax liabilities	17,978	19,381
<b>Net deferred tax liabilities</b>	<b>18,707</b>	<b>20,094</b>

**Movements in deferred tax liabilities:****Movements during the year ended 31 March 2025:**

	1 April 2024	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2025
Property, plant and equipment, investment property and intangible assets	19,381	(754)	-	18,627
Expenses allowable in the year of payment (Section 43B of the Income Tax Act, 1961)	(14)	(658)	(46)	(718)
Others (include provision for doubtful debts)	727	71	-	798
<b>Net deferred tax liabilities</b>	<b>20,094</b>	<b>(1,341)</b>	<b>(46)</b>	<b>18,707</b>

**Movements during the year ended 31 March 2024:**

	1 April 2023	Credit/(charge) in the statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	31 March 2024
Property, plant and equipment, investment property and intangible assets	20,932	(1,551)	-	19,381
Expenses allowable in the year of payment (Section 43B of the Income Tax Act, 1961)	(34)	28	(8)	(14)
Others (include provision for doubtful debts)	207	520	-	727
<b>Net deferred tax liabilities</b>	<b>21,105</b>	<b>(1,003)</b>	<b>(8)</b>	<b>20,094</b>

**Note 25 : Other current liabilities**

	31 March 2025	31 March 2024
Advances from customers	1,721	874
Statutory dues payable	3,330	38
Other payables	53	-
<b>Total</b>	<b>5,104</b>	<b>912</b>



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 26 : Revenue from operations**

	31 March 2025	31 March 2024
Sale of products		
- Finished goods	2,34,356	2,11,551
Other operating revenues	36	201
<b>Total</b>	<b>2,34,392</b>	<b>2,11,752</b>

**Contracts with customer**

Particulars	31 March 2025	31 March 2024
Revenue recognised from contracts with customers	2,34,392	2,11,752
<b>Disaggregation of revenue</b>		
Based on type of goods		
- Sale of chemicals	2,34,356	2,11,551
- Other operating revenues	36	201
Cumulative Impairment losses recognised on receivables arising from an entity's contracts with customers	3,127	3,097

**Details of trade receivables:**

Particulars	31 March 2025	31 March 2024
Opening balance of receivables	51,693	1,21,387
Closing balance of receivables	22,437	51,693

**Significant changes in the contract liability balances during the year ended are as follows:**

	31 March 2025	31 March 2024
<b>Contract liabilities at the beginning of the year</b>	<b>874</b>	<b>632</b>
Revenue recognised that was included in the contract liability balance at the beginning of the year	874	632
Increase due to cash received, excluding amounts recognised as revenue during the year	1,721	874
<b>Contract liabilities at the end of the year</b>	<b>1,721</b>	<b>874</b>

There is no significant change in the contract asset and contract liabilities.

**Performance obligations**

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customer. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to shortages and discounts during the mode of transportation and do not contain any financing component. The payment is generally due within 30-90 days.

The Company is obliged to give refunds due to shortages and discounts. There are no other significant obligations attached in the contract with customer.

**Transaction price**

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that have an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

**Determining the timing of satisfaction of performance obligations**

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

**Determining the transaction price and the amounts allocated to performance obligations**

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages and discounts which is adjusted with revenue.

**Reconciliation of contract price with revenue recognised in statement of profit and loss:**

Particulars	31 March 2025	31 March 2024
Contract price	2,94,930	2,78,636
Less: Amount recognised as Discounts / shortages	60,538	66,884
<b>Revenue recognised in the statement of profit and loss</b>	<b>2,34,392</b>	<b>2,11,752</b>

**Cost to obtain a contract or fulfil a contract**

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 27 : Other income**

	31 March 2025	31 March 2024
Dividend income from subsidiary	1,800	1,606
Interest income from financial assets measured at amortised cost	6,728	9,635
Net gain on sale of investments	110	-
Fair value gain on financial assets mandatorily measured at fair value through profit or loss	9	-
Gain on disposal of property, plant and equipment (net)	1,240	22
Foreign exchange fluctuation gain (net)	12	-
Corporate guarantee income	821	1,877
Other non-operating income	13	491
<b>Total</b>	<b>10,733</b>	<b>13,631</b>

**Note 28 : Cost of materials consumed**

	31 March 2025	31 March 2024
Raw materials as at the beginning of the year	6,247	6,502
Add: Purchases during the year	99,989	1,02,148
Less: Raw materials as at the end of the year	2,380	6,247
<b>Total</b>	<b>1,03,856</b>	<b>1,02,403</b>

**Note 29 : Changes in inventories of finished goods and stock-in-trade**

	31 March 2025	31 March 2024
<b>Opening balance</b>		
Finished goods	307	5,609
Stock-in-trade	-	-
<b>Total opening balance</b>	<b>307</b>	<b>5,609</b>
<b>Total closing balance</b>		
Finished goods	1,480	307
Stock-in-trade	-	-
<b>Total closing balance</b>	<b>1,480</b>	<b>307</b>
<b>Total</b>	<b>(1,173)</b>	<b>5,302</b>

**Note 30 : Employee benefits expense**

	31 March 2025	31 March 2024
Salaries, wages and bonus	15,871	9,523
Contribution to provident and other funds	723	684
Gratuity (refer note 22)	219	237
Post-employment pension benefits (refer note 22)	27	23
Staff welfare expenses	483	509
<b>Total</b>	<b>17,323</b>	<b>10,976</b>

Net of recharges of ₹ 4,323 Lakhs from holding company for the current year.

**Note 31 : Finance costs**

	31 March 2025	31 March 2024
Interest and finance charges	12,439	10,775
Finance charges on finance leases	234	173
Interest - others	638	584
	<b>13,311</b>	<b>11,532</b>
Less: Interest capitalised	(3,396)	(925)
<b>Total</b>	<b>9,915</b>	<b>10,607</b>

**Note 32 : Depreciation and amortisation expense**

	31 March 2025	31 March 2024
Depreciation on property, plant and equipment*	7,550	7,989
Amortisation of right of use assets	447	359
Amortisation on intangible assets	2,921	2,904
<b>Total</b>	<b>10,918</b>	<b>11,252</b>

\*Depreciation amounting to Rs. 364 Lakhs transferred from holding company Deepak Fertilisers and Petrochemicals Corporation Limited as common sharing cost (31 March 2024 Rs. 1,010 Lakhs).



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 33 : Other expenses**

	31 March 2025	31 March 2024
Consumption of stores and spares	3,576	6,992
Power, fuel and water	6,452	4,924
Repairs to :		
- Buildings	221	447
- Plant and machinery	2,337	2,989
- Others	990	762
Rent	86	98
Insurance	426	612
Rates, taxes and duties	128	380
Travelling and conveyance	579	629
Legal and professional fees	1,648	1,125
Payments to auditors (refer note 33 (a))	18	-
Directors' fees	12	-
Carriage outward (net)	2,113	2,025
Commission on sales	368	163
Sales and promotion expenses	469	420
Donations	2	-
Utility services	544	577
Communication expenses	47	55
Foreign exchange fluctuations loss (net)	-	87
Bad debts written off	(8)	(2)
Provision for doubtful trade receivables	30	-
Provision for doubtful loans, advances and other receivable (net)	101	-
Management Service Fees	3,009	-
Miscellaneous expenses	1,680	787
<b>Total</b>	<b>24,828</b>	<b>23,070</b>

Net of recharges of ₹ 2,608 Lakhs from holding company for the current year.

**Note 33 (a): Details of payments to auditors**

	31 March 2025	31 March 2024
<b>As auditors:</b>		
Audit fees/limited review fees	16	0
Certification fees/other services	-	-
<b>In other capacities</b>		
Tax audit fees	2	-
Reimbursement of expenses	-	-
<b>Total</b>	<b>18</b>	<b>0</b>

\*Includes Rs 2 lakhs ( 31 March 2024: 0.40 lakhs) paid to erstwhile auditors.

**Note 33 (b): EARNINGS PER SHARE (EPS)**

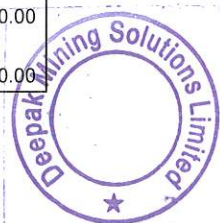
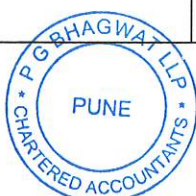
Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity Shares into equity shares.

There are no potential equity shares having dilutive effect on the EPS.

The following reflects the profit and share data used in the basic and diluted EPS computation

	31 March 2025	31 March 2024
<b>Numerator for basic and diluted EPS</b>		
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for basic EPS	64,289	41,696
Net profit after tax attributable to equity shareholders of parent (₹ in Lakhs) for diluted EPS	64,289	41,696
<b>Denominator for basic and diluted EPS</b>		
Weighted average number of equity shares for basic EPS	1,13,61,096	10,000
Weighted average number of equity shares for diluted EPS	1,13,61,096	10,000
Basic earnings per share of face value of ₹ 10 each (in ₹/share)	565.87	4,16,960.00
Diluted earnings per share of face value of ₹ 10 each (in ₹/share)	565.87	4,16,960.00





# Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025  
(All amounts in ₹ Lakhs unless otherwise stated)

## Note 34 : Fair value measurements

### (i) Financial instruments by category

	31 March 2025			31 March 2024		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments other than investments in subsidiaries and associates*	-	-	-	-	-	-
- Mutual funds	6,011	-	-	-	-	-
Trade receivables	-	-	22,437	-	-	51,693
Cash and cash equivalents	-	-	5,656	-	-	5
Loans	84,504	-	3	-	-	97,401
Other financial assets						
- Interest receivable	-	-	18	-	-	14
- Deposit with banks	-	-	-	-	-	-
- Financial Guarantee Asset	-	-	1,631	-	-	1,630
- Security deposits	-	-	1,055	-	-	881
Bank deposits	-	-	519	-	-	696
- Others	-	-	15	-	-	-
<b>Total financial assets</b>	<b>90,515</b>	<b>-</b>	<b>31,334</b>	<b>-</b>	<b>-</b>	<b>1,52,320</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,65,446	-	-	1,25,163
Lease Liabilities	-	-	3,140	-	-	964
Trade payables	-	-	41,077	-	-	31,094
Other financial liabilities						
- Capital creditors	-	-	1,816	-	-	1,757
- Security deposits	-	-	153	-	-	190
- Interest accrued	-	-	2,092	-	-	2,239
- Embedded derivative	-	-	-	-	-	-
- Others ( **excluding Financial Guarantee Liabilities)	1,346	-	5,251	-	-	505
<b>Total financial liabilities</b>	<b>1,346</b>	<b>-</b>	<b>2,18,975</b>	<b>-</b>	<b>-</b>	<b>1,61,912</b>

\* Investment in subsidiaries and associates are measured at Cost as per Ind AS 27, Separate financial statements.

\*\* Financial guarantee liability is subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognised less, the cumulative amount of income recognised.



**(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 2025			Total	31 March 2024			Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Investments at FVPL								
Mutual funds	6,011	-	-	6,011	-	-	-	-
Loans	-	-	84,504	84,504	-	-	-	-
Total financial assets	6,011	-	84,504	90,515	-	-	-	-
Financial liabilities								
Consideration payable for acquisiton of subsidiary	-	-	1,346	1,346	-	-	-	-
Total financial liabilities	-	-	1,346	1,346	-	-	-	-

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2025 and 31 March 2024.

**(iii) Valuation process to determine fair value**

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

- The fair value of loans is arrived using Effective Interest Rate for the debt portion of the instrument, while the fair value of the call option has been derived using Black Scholes Morten model for call option portion.
- 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.





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025  
(All amounts in ₹ Lakhs unless otherwise stated)

**Note 35 : 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 credit worthiness 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. 735 Lakhs (31 March 2024: Rs. 3,567 Lakhs).

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

	31 March 2025	31 March 2024
Balance at the beginning of the year	3,097	3,097
Add: Provided during the year	30	-
Less: Amount utilised	-	-
Balance at the end of the year	3,127	3,097

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.



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(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 2025	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	1,65,446	53,000	97,311	15,135	1,65,446
Lease Liabilities	3,140	731	2,409	-	3,140
Trade payables	41,077	41,077	-	-	41,077
Other financial liabilities	13,725	12,555	1,170	-	13,725
<b>Total non-derivative liabilities</b>	<b>2,23,388</b>	<b>1,07,363</b>	<b>1,00,890</b>	<b>15,135</b>	<b>2,23,388</b>
<b>Derivatives financial liabilities</b>					
Borrowings	-	-	-	-	-
Embedded derivative	-	-	-	-	-
Interest accrued	-	-	-	-	-
Financial Guarantee Liability	-	-	-	-	-
Trade payables	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2024	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	1,25,163	3,545	1,06,483	15,135	1,25,163
Lease Liabilities	964	340	624	-	964
Trade payables	31,094	31,094	-	-	31,094
Other financial liabilities	6,065	5,166	899	-	6,065
<b>Total non-derivative liabilities</b>	<b>1,63,286</b>	<b>40,145</b>	<b>1,08,006</b>	<b>15,135</b>	<b>1,63,286</b>
<b>Derivatives financial liabilities</b>					
Interest accrued	-	-	-	-	-
Trade payables	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(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 and purchases are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, AED 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) There is no material exposure outstanding as on reporting date.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.





## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

(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 variable interest rates linked to Marginal Cost of Lending Rate (MCLR) of banks. 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. The Company has exposure to interest rate risk, arising principally on changes in base lending rate i.e. MCLR.

### 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 2025	31 March 2024
Variable rate borrowings	1,15,446	1,24,618
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>1,15,446</b>	<b>1,24,618</b>

### 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 2025 would decrease / increase by Rs. 577 Lakhs (for the year ended 31 March 2024: decrease / increase by Rs. 623 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

## Note 36 : Capital Management

### (a) 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.

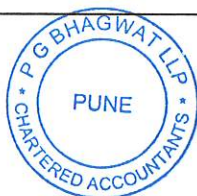
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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 2025	31 March 2024
Net debt	1,09,271	1,24,613
Total equity	3,68,253	3,14,353
<b>Net debt to equity ratio</b>	<b>0.30</b>	<b>0.40</b>



## Deepak Mining Solutions Limited

Notes to the financial statements for the year ended 31 March 2025

### Disclosure of Related Party Transactions as per Ind AS 24

#### Note 37(a) : NAMES OF THE RELATED PARTIES AND RELATIONSHIPS WITH WHOM TRANSACTIONS TOOK PLACE

##### **A** Holding Company

Deepak Fertilisers and Petrochemicals Corporation Limited

##### **B** Subsidiaries

###### Direct

Performance Chemiserve Limited

Platinum Blasting Services Pty Limited [PBS]

###### Indirect

Platinum Blasting Services (Logistics) Pty Limited (Formerly

Australian Mining Explosives Pty Limited (Subsidiary of PBS)

##### **C** Fellow Subsidiaries

- 1 Mahadhan AgriTech Limited (MAL)

##### **D** Key management personnel

###### **(a)** Executive directors

- 1 Mr. Yeshil S Mehta - Executive Director
- 2 Mr. Sailesh Chimanlal Mehta

###### **(b)** Non-executive Directors

- 1 Mr. Madhumilan Parshuram Shinde
- 2 Mrs. Parul Sailesh Mehta

###### **(c)** Non-executive Independent directors

- 1 Mr. Partha Bhattacharyya
- 2 Dr T.K Chatterjee
- 3 Mr. Bhuwan C Tripathi



###### **(d)** Chief Financial Officer

- 1 Mr. Upendra Patro [From 1st August 2024]

###### **(e)** Company Secretary

- 1 Mr. Pankaj Gupta [From 1st August 2024]

##### Names of the related parties and relationships

###### **E** with whom transaction took place

###### **(a)** Private Companies in which a Director is Director or Member, or Public Companies in which Director is a Director and holds along with his relatives, more than 2% of its paid-up share capital:

- 1 Robust Marketing Services Private Limited
- 2 SCM Commercial Private Limited

###### **(b)** Close member of Key management personnel

- 1 Ms. Rajvee Mehta





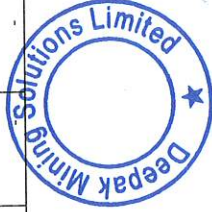
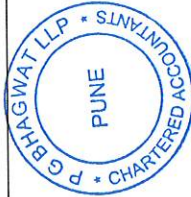
**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 37(b) Related Party transactions:**

Note 37(b) Related Party transactions:		31 March 2025							31 March 2024						
		Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of 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	<b>Sale of goods</b> Deepak Fertilisers and Petrochemicals Corporation Limited Mahadhan AgriTech Limited	2,208	-	-	-	-	-	2,208	596	-	-	-	-	-	596
2	<b>Purchases of goods and services</b> Deepak Fertilisers and Petrochemicals Corporation Limited Mahadhan AgriTech Limited Performance ChemiServe Limited	(2,552)	-	-	-	(9,570)	-	(2,552) (9,570) (57,578)	-	-	-	(3,803)	-	(3,803) (92,070)	(3,803) (92,070)
3	<b>Receiving of services/reimbursement of expenses</b> Deepak Fertilisers and Petrochemicals Corporation Limited Mr. Madhumilan Parshuram Shinde Mahadhan AgriTech Limited	(5,174)	-	-	(8)	(3,391)	-	(5,174) (8) (3,391)	(6,977)	-	-	-	-	(6,977)	(6,977)
4	<b>Interest on loans taken</b> Deepak Fertilisers and Petrochemicals Corporation Limited Robust Marketing Services Pvt Ltd SCM Commercial Private Limited	(6,399)	-	-	-	(715) (485)	-	(6,399) (715) (485)	(8,385)	-	-	(1,079)	-	(8,385) (1,079)	(8,385) (1,079)
5	<b>Interest on loans given</b> Performance Chemiserve Limited	-	6,681	-	-	-	-	6,681	-	9,610	-	-	-	9,610	9,610
6	<b>Dividend received</b> Platinum Blasting Services Pty Ltd	-	1,800	-	-	-	-	1,800	-	1,606	-	-	-	1,606	1,606
7	<b>Dividend paid</b> Deepak Fertilisers and Petrochemicals Corporation Limited	(10,236)	-	-	-	-	-	(10,236)	-	-	-	-	-	-	-
8	<b>Remuneration and Commission (including perquisites)**</b> Mr. Yeshil Mehta Mr. Upendra Patro Ms. Rajvee Mehta Mr. Pankaj Gupta	-	-	(5,790) (102)	-	(48)	-	(5,790) (102) (51)	-	-	-	-	-	-	-
9	<b>Loans taken</b> Deepak Fertilisers and Petrochemicals Corporation Limited Deepak Fertilisers and Petrochemicals Corporation Limited ICD Performance chemiserve limited ICD	45,388	-	-	-	-	-	45,388	1,03,650	2,72,206	-	-	-	1,03,650 2,72,206	1,03,650 2,72,206



**Deepak Mining Solutions Limited**

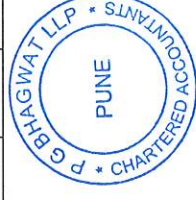
Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 37(b) Related Party transactions:**

		31 March 2025						31 March 2024						
Sr. No.	Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Entities over which Key Management Personnel are able to exercise significant Influence	Enterprises over which 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 Key Management Personnel are able to exercise significant influence	Total
10	<b>Loans repaid</b> Deepak Fertilisers and Petrochemicals Corporation Limited ICD Deepak Fertilisers and Petrochemicals Corporation Limited OCD Performance chemiserve limited ICD	(45,300) - -	- - -	- - -	- - -	- - -	- - -	(45,300) - -	(81,000) (50,000) -	- - (1,84,337)	- - -	- - -	- - -	(81,000) (50,000) (1,84,337)
11	<b>Equity Shares Purchased</b> Robust Marketing Services Private Limited	-	-	-	-	-	-	-	-	-	-	(15,137)	-	(15,137)
12	<b>Amounts outstanding</b> <b>Trade Payables</b> Deepak Fertilisers and Petrochemicals Corporation Limited Mahadhan AgriTech Limited Performance Chemiserve Limited	(12,159) - -	- - (15,697)	- - -	- - -	- (2,787) -	- - -	(12,159) (2,787) (15,697)	- - -	- - (23,079)	- - -	- - -	- - -	- - (23,079)
	<b>Trade Receivable</b> Mahadhan AgriTech Limited	-	-	-	-	-	-	-	-	-	-	22,126	-	22,126
	<b>Remuneration payable</b> Mr. Yeshil Mehta Other Directors' Commission	- - -	- - -	(5,618) (176)	- -	- -	- -	(5,618) (176)	- -	- -	- -	- -	- -	- -
	<b>Interest Payable</b> Deepak Fertilisers and Petrochemicals Corporation Limited SCM Commercial Private Limited Robust Marketing Services Pvt Ltd	(1,602) - -	- - -	- -	- -	- -	- (485)	(1,602) (485)	- - -	- - -	- - -	- (515)	- -	(515)
	<b>Loan receivable</b> Performance Chemiserve Limited	-	1,03,492	-	-	-	-	1,03,492	-	97,375	-	-	-	97,375
	<b>Loans repayable</b> Deepak Fertilisers and Petrochemicals Corporation Limited -Optionally Convertible Debentures -Inter Corporate Deposits	(50,000) (36,507) -	- - -	- -	- -	- -	- -	(50,000) (36,507)	(50,000) (36,419)	- -	- -	- -	- -	(50,000) (36,419)
	Optionally Convertible Debentures -SCM Commercial Private Limited -Robust Marketing Services Pvt Ltd	-	-	-	-	-	(15,135)	(15,135)	-	-	-	(15,135)	-	(15,135)

Note: 1) \*Remuneration doesn't include sitting fees paid to non-executive directors of ₹ 12.20 Lakhs (31 March 2024 : ₹ NIL). As the liability of leave encashment and Gratuity is provided on Actuarial basis for company as a whole, the said amounts are not included above.  
2) During the year, Optionally Convertible Debentures of ₹ 15,135 Lakhs transferred from Robust Marketing Services Private Limited to SCM Commercial Private Limited w.e.f. 29th March 2025.  
3) Refer note no 39 for Corporate guarantees given on behalf of subsidiaries to banks.





**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless otherwise stated)

**Note 38 : Contingent liabilities**

Particulars	31 March 2025	31 March 2024
<b>A. Contingent liabilities</b>		
Claims against the Company not acknowledged as debts	2,348	1,861
Sales Tax/VAT Demands	1,593	1,593
Odisha, Goods and Service Tax Act	709	693
Income Tax act 1961*	91,188	64,814
	<b>95,838</b>	<b>68,961</b>
<b>B. Commitments (Net of advances)</b>		
Related to Projects	70,778	56,430
Other capital commitments	6,198	2,378
<b>Total</b>	<b>76,976</b>	<b>58,808</b>

Note: Above contingent liabilities are pertaining to Technical Ammonia Nitrite business disclosed as per the scheme of arrangements which are originally in the name of Mahadhan AgriTech Limited. If case of any unfavourable order raising demand, the company needs to reimburse the same to Mahadhan AgriTech Limited.

\*The Appeals filed by M/s Mahadhan AgriTech Limited (MAL) (transferor) (Formerly Smartchem Technologies Limited), against the order/s of the Commissioner of Income Tax (Appeals), Mumbai, for the period AY 2015-16 to AY 2019-20, confirming additions/ disallowance resulting in demand aggregating to Rs. 58,052 lakhs, are being heard by the Income tax Appellate Tribunal (ITAT).

Further during the year, MAL received the orders passed by the Assessing Officer imposing penalties aggregating to Rs. 47,886 lakhs for AY 2015-16 to AY 2018-19 in relation to the above quantum additions. MAL has filed applications for rectifications of mistakes seeking correction/reduction in the amounts of penalties imposed and also appeals challenging these levies on merits.

The management continues to believe, based on an expert opinion, various favourable judgements, and amendments in the Income-tax Act, 1961, that it has a good case, on merits, both in the quantum appeals and the appeals against orders levying penalties and is therefore confident of its positive outcome in respect of both sets of appeals.

**Note 39 : Disclosure required under Section 186(4) of the Companies Act, 2013 and Schedule V read with Regulations 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

A. 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	Due date and amount payable	Purpose	31 March 2025	31 March 2024
Performance Chemiserve Limited (PCL)	8.85% up to 31 July 2024 and 4% from 1 August 2024 with a conversion option within 2 years	Restriction to repay only post repayment of principal amounts of project loans availed by PCL	The loan has been granted to the subsidiary for funding ammonia project.	1,03,492	97,375

B. The Company has issued corporate guarantees on behalf of subsidiaries to banks. Details are as below :

Name of the party	31 March 2025	31 March 2024	Purpose
Performance Chemiserve Limited (PCL)	2,50,000	2,50,000	Purpose of this Guarantee is to enable subsidiary for availing loan and other facilities from bank. Loan outstanding as on 31 March 2025 ₹ 1,92,523 of (31 March 2024 : ₹ 86,378 Lakhs).

**Note 40 : Income Taxes**

Components of Income Tax Expenses	31 March 2025	31 March 2024
<b>I. Tax expense recognised in the Statement of Profit and Loss</b>		
Current Tax	20,500	21,080
Income tax related to prior period	(3,989)	-
<b>Total (A)</b>	<b>16,511</b>	<b>21,080</b>
Deferred tax charge/(credit)	(1,342)	(1,003)
<b>Total (B)</b>	<b>(1,342)</b>	<b>(1,003)</b>
<b>Total (A+B)</b>	<b>15,169</b>	<b>20,077</b>
<b>II. Tax on Other Comprehensive Income</b>		
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit plans	(46)	(8)
<b>Total</b>	<b>(46)</b>	<b>(8)</b>

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2025 and 31 March 2024

Particulars	31 March 2025	31 March 2024
Accounting profit before tax	79,458	61,773
At India's statutory income tax rate of 25.17% (31 March 2024: 34.12%) (A)	20,000	21,077
Impact on current and deferred tax of earlier years	(3,989)	-
Dividend received from subsidiary allowed under section 80M	(453)	(404)
Interest on Income Tax	162	-
MSME Interest	9	21
Permanent difference due to Ind AS adjustment	(262)	(6)
Others	(298)	(611)
<b>Total (B)</b>	<b>(4,831)</b>	<b>(1,000)</b>
<b>Income Tax expense reported in the statement of profit or loss (A+B)</b>	<b>15,169</b>	<b>20,077</b>

**Note 41 : Other Statutory Information**

- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.  
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).
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.
- The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- The company has single operating segment. So, segment information is not presented as per Indian Accounting Standard Ind AS 108, Operating Segments as notified under the Companies (Indian Accounting Standard) Rules, 2015.



**Deepak Mining Solutions Limited**

Notes to the financial statements for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless otherwise stated)

**Note 42: Reorganization**

- (a) Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated 11 July 2024 ("Order"), with effect from the Appointed Date i.e., 1 January 2022, TAN Business (Mining Chemicals) from the Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited) demerged to Deepak Mining Solutions Limited [(DMSPL) (Formerly Deepak Mining Services Private Limited)], a wholly owned subsidiary of the Deepak Fertilisers And Petrochemicals Corporation Limited. The Scheme has been filed with Mumbai Bench of National Company Law Tribunal (NCLT) on 21 December 2022.

The business combination has been accounted in accordance with 'Pooling of Interest Method' Laid down by Appendix C of Indian Accounting standard 103 (IND AS 103): (Business combinations of entities under common control), notified under the companies Act, 2013. Accordingly all assets, liabilities pertains to TAN business have been transferred to DMSL. Comparative accounting period presented in the financials statements of the company has been restated for the accounting impact of the business combination as stated above.

Following are the assets and liabilities pertains to TAN Business as on appointed date 1 January 2022

Particulars	As at January 1, 2022
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	37,345
Capital work-in-progress	37,181
Right of use assets	4,570
Other intangible assets	84,644
Investment in subsidiaries and associates	1,19,436
Financial assets	
i. Other financial assets	476
Other non - current assets	2,798
<b>Total non-current assets</b>	<b>2,86,450</b>
<b>Current assets</b>	
Inventories	9,923
Financial assets	
i. Trade receivables	21,853
ii. Loans	14
iii. Other financial assets	17
Other current assets	7,196
<b>Total current assets</b>	<b>39,003</b>
<b>Total assets</b>	<b>3,25,453</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Financial Liabilities	
i. Borrowings	86,493
ii. Lease liabilities	443
iii. Other financial liabilities	668
Provisions	1,501
Deferred tax liabilities (net)	29,735
<b>Total non-current liabilities</b>	<b>1,18,840</b>
<b>Current liabilities</b>	
Financial liabilities	
i. Lease liabilities	189
ii. Trade payables	28,061
iii. Other financial liabilities	7,049
Other current liabilities	1,551
<b>Total current liabilities</b>	<b>36,850</b>
<b>Total liabilities</b>	<b>1,55,690</b>
<b>Net Assets Transferred</b>	<b>1,69,763</b>





**Restated Balance sheet as on March 31, 2024**

Particulars	Year Ended March 31, 2024		
	Before effect of Business Combination	Effect of Business Combination	Revised Balance Sheet post effect of Business combination
<b>Non-current assets</b>			
Property, plant and equipment	-	42,220	42,220
Capital work-in-progress	-	66,329	66,329
Investment property	-	-	-
Right of use assets	-	4,937	4,937
Goodwill	-	47,046	47,046
Other intangible assets	-	31,087	31,087
Financial assets	-	-	-
i. Investments	-	1,86,533	1,86,533
ii. Loans	-	97,375	97,375
iii. Other financial assets	-	3,095	3,095
Deferred tax assets (net)	-	-	-
Income tax assets (net)	-	-	-
Other non-current assets	-	4,824	4,824
<b>Total non-current assets</b>	-	<b>4,83,446</b>	<b>4,83,446</b>
<b>Current assets</b>			
Inventories	-	10,338	10,338
Financial assets			
i. Investments	-	-	-
ii. Trade receivables	-	51,693	51,693
iii. Cash and cash equivalents	5	0	5
iv. Other bank balances	-	-	-
v. Loans	-	26	26
vi. Other financial assets	-	126	126
Current Tax assets	-	-	-
Other current assets	-	10,347	10,347
<b>Total current assets</b>	<b>5</b>	<b>72,530</b>	<b>72,535</b>
<b>Total assets</b>	<b>5</b>	<b>5,55,976</b>	<b>5,55,981</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	-	1,21,618	1,21,618
ii. Lease liabilities	-	624	624
iii. Other financial liabilities	-	899	899
Provisions	-	1,502	1,502
Deferred tax liabilities (net)	-	20,094	20,094
<b>Total non-current liabilities</b>	-	<b>1,44,737</b>	<b>1,44,737</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	45	3,500	3,545
ii. Lease liabilities	-	340	340
iii. Trade payables	18	31,076	31,094
iv. Other financial liabilities	16	5,150	5,166
Other current liabilities	2	910	912
Provisions	-	111	111
Current tax liabilities (net)	-	55,723	55,723
<b>Total current liabilities</b>	<b>81</b>	<b>96,810</b>	<b>96,891</b>
<b>Total liabilities</b>	<b>81</b>	<b>2,41,547</b>	<b>2,41,628</b>
<b>Net Assets</b>	<b>(77)</b>	<b>3,14,430</b>	<b>3,14,353</b>



Re-stated statement of profit and loss for the year ended March 31, 2024

Particulars	Year Ended March 31, 2024		
	Before effect of Business Combination	Effect of Business Combination	Revised Balance Sheet post effect of Business combination
<b>Income</b>			
Revenue from operations	-	2,11,752	2,11,752
Other income	-	13,631	13,631
<b>Total income</b>	-	<b>2,25,383</b>	<b>2,25,383</b>
<b>Expenses</b>			
Cost of materials consumed	-	1,02,403	1,02,403
Purchases of stock-in-trade	-	-	-
Changes in inventories of finished goods and stock-in-trade	-	5,302	5,302
Employee benefits expense	-	10,976	10,976
Finance costs	3	10,604	10,607
Depreciation and amortisation expense	-	11,252	11,252
Other expenses	18	23,052	23,070
<b>Total expenses</b>	<b>21</b>	<b>1,63,589</b>	<b>1,63,610</b>
<b>Profit before tax</b>	<b>(21)</b>	<b>61,794</b>	<b>61,773</b>
<b>Tax expense</b>			
Current tax	-	21,080	21,080
Deferred tax	-	(1,003)	(1,003)
<b>Total tax expense</b>	<b>-</b>	<b>20,077</b>	<b>20,077</b>
<b>Profit for the year</b>	<b>(21)</b>	<b>41,717</b>	<b>41,696</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations	-	(12)	(12)
Income tax relating to these items	-	8	8
<b>Total (A)</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>
<b>Other comprehensive income for the year, net of tax liability</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>
<b>Total comprehensive income for the year</b>	<b>(21)</b>	<b>41,713</b>	<b>41,692</b>

- (b) The Composite Scheme between Mahadhan AgriTech Limited (Formerly known as Smartchem Technologies Limited) ("Demerged Company" or "Transferee Company" or "MAL"), Deepak Mining Solutions Limited (Formerly known as Deepak Mining Solutions Private Limited) ("Resulting Company" or "DMSL") and Mahadhan Farm Technologies Private Limited ("Transferor Company" or "MFTPL") and their respective shareholders ("Scheme") approved by the Mumbai Bench of the Hon'ble National Company Law Tribunal (NCLT) on 28th June 2024 and made effective from 1st August 2024. The Appointed date of scheme was 01st January 2022.

Consequently, the Technical Ammonium Nitrate business including all movable and immovables assets, liabilities, licenses, registrations, contracts, legal proceedings, tax credits and employees, workers were transferred, assigned and novated to DMSL as a going concern basis on the appointed date.

From effective date till the reporting date, although the transactions relating to demerged business have been recorded in the books of account of the Company in accordance with the Order, the transfer of licenses under Petroleum and Explosives Safety Organisation (PESO), permits, regulatory approvals, and registrations required for conducting business operations of TAN are pending due to certain formalities by the authorities.

To ensure continuity of business operations, a formal service agreement has been executed between MAL and the Company, outlining the terms of such arrangements, including the applicable service charges. TAN business operations/ Transactions are carried in the name of MAL, including sales, purchases, filing of returns and payment of statutory dues such as goods and service tax, income tax, and other levies. Employee-related obligations, investments, and banking are also managed under MAL. However, the Company has established appropriate internal arrangements to ensure these transactions are properly accounted for in line with the approved scheme of NCLT and considering the applicable regulatory requirements.

Company Management expects that the transfer process for licenses, registrations, and related matters will be completed during the financial year 2025-26.





**Note 43 : Relationship with Struck off Companies**

There is no transaction with struck off companies during the year.

**Note 44 : Ratios**

Particulars	31 March 2025	31 March 2024	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)	0.55	0.75	Total current assets	Total current liabilities	(26.26)	Variation due to classification of optionally convertible debentures from non-current borrowings to current borrowings.
(b) Debt-Equity Ratio (in times)	0.46	0.40	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	14.10	NA
(c) Debt Service Coverage Ratio (in times)	5.07	1.07	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	372.45	During the year, variation due to classification of optionally convertible debentures from non-current borrowings to current borrowings. In previous year, there is repayment of debentures.
(d) Return on Equity Ratio (in times)	18.84	14.72	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	27.99	Variation due to increase in sales and reversal of tax related to earlier years in current year
(e) Inventory turnover ratio (in times)	9.93	7.24	Cost of goods sold	Average inventory	37.08	Variation due to increase in turnover
(f) Trade Receivables turnover ratio (in times)	6.32	2.45	Revenue from operations	Average trade receivables	158.45	Variation due to increase in turnover
(g) Trade payables turnover ratio (in times)	2.77	3.17	Purchase of materials and stock in trade	Average trade payables	(12.62)	NA
(h) Net capital turnover ratio (in times)	(4.58)	(8.69)	Revenue from operations	Working Capital = Current Assets - Current Liabilities	(47.28)	Variation due to increase in current liabilities
(i) Net profit ratio (in %)	27.43%	19.69%	Profit after tax for the current year	Revenue from operations	39.29	Variation due to increase in sales and reversal of tax related to earlier years in current year
(j) Return on Capital employed (in %)	18.61%	18.93%	Profit before tax and finance costs	Capital Employed = Tangible Net Worth + Total Debt + Deferred tax liability	(1.69)	NA
(k) Return on investment in mutual fund (in %)	3.66%	-	Income generated from investment of funds	Average invested funds in treasury investments	#DIV/0!	NA

**Note 45:** Previous year's figures have been reclassified/regrouped wherever necessary. Also refer note 42.

**Note Nos. 3 to 45 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 of Deepak Mining Solutions Limited

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Registration No.: 101118W/W100682

*Abhijeet Bhagwat*

Abhijeet Bhagwat  
Partner  
Membership No.: 136835  
Place: Pune



S. C. Mehta  
Director  
DIN: 00128204  
Place: Pune

*Madhumilen Shinde*

Madhumilen Shinde  
Director  
DIN: 06533004  
Place: Pune

Upendra Patro  
Chief Financial Officer  
Place: Pune

*Pankaj Gupta*

Pankaj Gupta  
Company Secretary  
Membership No.: F - 9219  
Place: Pune



Date: 21 May 2025

Date: 21 May 2025