एम.एफ़.एल.
मद्रास फ़र्टिलाइज़र्स लिमिटेड
Madras Fertilizers Limited
(भारत सरकार का उपक्रम / A Government of India Undertaking)
पोस्ट बैग सं., 2, मणलि, चेन्नै - 600 068. भारत दूर : 2594 1001 / फैक्स सं : 044-25941010
Post Bag No. 2, Manali, Chennai - 600 068. INDIA. Tel : 2594 1001 / Fax No. 044-25941010
कार्मिक / Per 25945210 संयंत्र / Plant 25941133 .विप. / Mktg 25941285 वित्त / Fin 25941072
Website : www.madrasfert.nic.in email : gmpasec@madrasfert.co.in
CIN: L32201TN1966GO1005469 GSTIN - 33AAACM5198E1ZK
Certified by URS UKAS MANAGEMENT SYSTEMS 0043
ISO 14001:2015 APPROVED BY ICS
VIJAY MADRAS FERTILIZERS

CS/NSE/2022/988
September 12, 2022

National Stock Exchange of India Ltd
Exchange Plaza 5th Floor,
Plot No.C/1, "G" Block
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

SCRIP CODE : MADRASFERT

Dear Sir,

Sub : Intimation of receipt of Comments of Comptroller and Auditor General of India (C&AG) on the Financial Statements of Madras Fertilizers Limited for the financial year 2021-22

It is informed that the comments of the Comptroller and Auditor General of India (C&AG) on the Financial Statements of the Company for the financial year 2021-22 have been received on September 9, 2022. The C&AG comments together with the Management Reply thereon will be circulated to the shareholders as an addendum to the Annual Report 2021-22 of the Company.

In this regard, Item No.1 under Ordinary Business in the Notice of the AGM is revised as below:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2022 and Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flow, Statement of Changes in Equity, Notes comprising Significant Accounting Policies and other Explanatory information forming part of Financial Statements for the year ended on that date together with the Directors' Report, Auditors' Report and comments of the Comptroller and Auditor General of India thereon.

The updated Notice of the AGM and comments of the Comptroller and Auditor General of India along with the Management reply thereon are forwarded herewith for information and records of NSE. The updated Notice and C&AG comments and Management reply are available on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. The same may be downloaded from the company's website www.madrasfert.co.in.

Thanking you,

Very truly yours

R Ram Ganesh
Company Secretary

MADRAS FERTILIZERS LIMITED

(A Government of India Undertaking)

CIN – L32201TN1966GOI005469

Regd. Office: Post Bag No.2, Manali, Chennai 600 068 Tel.044-25942281 / 25945489

Website : www.madrasfert.co.in email : cs@madrasfert.co.in

NOTICE

NOTICE is hereby given that the 56th Annual General Meeting (AGM) of Madras Fertilizers Limited will be held on 21st September 2022, at 11.00 a.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2022 and the Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flow, Statement of Changes in Equity, Notes comprising Significant Accounting Policies and other Explanatory information forming part of Financial Statements for the year ended on that date together with the Directors' Report, Auditors' Report and comments of the Comptroller and Auditor General of India thereon.

2. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company for the Financial Year 2022-23 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following Resolution, as an Ordinary Resolution:-

   "RESOLVED THAT the Board of Directors the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller & Auditor of India for the Financial Year 2022-23."

SPECIAL BUSINESS

3. To elect Shri Gurumurthy Kyathari (DIN 08741900) as a Director on the Board of Directors of the Company:

   The Company has received notice in terms of Section 160 (1) & 161 (1) of the Companies Act, 2013 proposing to elect Shri Gurumurthy Kyathari (DIN 08741900) as a Director of the Company at this General Meeting. Members may consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 160(1) & 161 (1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Articles of Association of the Company, Shri Gurumurthy Kyathari (DIN 08741900), who was appointed as a Director in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification F.No.95/1/2019-HR-PSU with effect from September 29, 2021, until further orders, be and is hereby elected as a Director of the Company and shall hold office upto the date of the next AGM".

4. Appointment of Shri Nalabothu Venkata Rao (DIN 00310724) as Director of the Company

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Nalabothu Venkata Rao (DIN 00310724), who was appointed as Additional Director being designated as Non-official Independent Director in the Board of Madras Fertilizers Limited as recommended by the Appointment Committee of the Cabinet vide O.M.NO.20/29/2021-EO(ACC) dated 02.11.2021 and Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide its notification F.No.78/2/2006-HR-PSU (pt II) with effect from the notification i.e. November 05, 2021 for a period of three years or until further orders, be and is hereby appointed as Director of the Company effective November 05, 2021 and not liable to retire by rotation".

5. Appointment of Dr. C R Jayanthi (DIN 09450350) as Director of the Company

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. C R Jayanthi (DIN 09450350), who was appointed as Additional Director being designated as Non-official Independent Director in the Board of Madras Fertilizers Limited as recommended by the Cabinet vide O.M.NO.20/29/2021-EO(ACC) dated 02.11.2021 and Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide its notification F.No.78/2/2006-HR-PSU (pt II) dated November 05, 2021 for a period of three years or until further orders be and is hereby appointed as Director of the Company for a period of three years effective November 05, 2021 and until further orders and not liable to retire by rotation".

6. Appointment of Shri Sanjay Vishnu Shetye (DIN 01089380), as a Director of the Company

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Shri Sanjay Vishnu Shetye (DIN 01089380), who was appointed as Additional Director being designated as Non-official Independent Director in the Board of Madras Fertilizers Limited as recommended by the Appointment Committee of the Cabinet vide O.M.NO.20/29/2021-EO(ACC) dated 20.12.2021 and Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide its notification F.No.78/2/2006-HR-PSU (pt II) dated December 31, 2021 with effect from December 31, 2021 for a period of three years or until further orders, be and is hereby appointed as Director of the Company for a period of three years effective December 31, 2021 or until further orders and not liable to retire by rotation.

7. Appointment of Cost Auditor:

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

   "RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Audit and Auditor) Rules 2014, Mrs. Aruna Prasad,(M No. 11816) Cost Accountant, appointed by the Board as Cost Auditor to consider the cost audit of the Company for fertilizers for the financial year 2022-23 as per the directions issued by the Central Government at a fee of ₹ 1,10,000/- plus taxes besides reimbursement of travelling and out of pocket expenses at actuals be and is hereby ratified."

By Order of the Board
Sd/-
U Saravanan
Chairman & Managing Director
DIN : 07274628

Chennai
August 26, 2022

Note:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 21/2021 dated December 14, 2021 read with Circular No.02/2021 dated January 13, 2021, Circular No.20/2020 dated May 05, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No.14/2020 dated April 08, 2020

(hereinafter collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/ P/2021/11 dated May 12, 2020 and January 15, 2021 and Circular No.02/2022 dated May 05, 2022 respectively, permitted for holding the Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/ OAVM. Hence Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/ OAVM is explained in Sl.No.17.

2. The Notice of Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent by electronic mode to those Members whose email address are registered with the Company / Depositories in accordance with the aforesaid MCA and SEBI Circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website www.madrasfert.co.in, website of National Stock Exchange i.e. www.nseindia.com.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

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

5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as a Director under item 3 to 6 of the Notice is also annexed to the Notice.

8. The Register of Member and Share Transfer Books of the Company will remain closed from 15.09.2022 to 21.09.2022 (both days inclusive).

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held by them in electronic form and to IRMSPL, in case the shares are held by them in physical form.

   SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Integrated Registry Management Services Pvt Ltd.

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or M/s. Integrated Registry Management Services Pvt Ltd., (IRMSPL) Kences Towers, II Floor, No.1, Ramakrishna Street, T Nagar, Chennai 60017, the Registrar and Transfer Agents and Depository Participants of the Company for assistance in this regard and all correspondences with regard to transfer of physical / electronic shares etc. may be addressed to them directly.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or IRMSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.

13. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the Registered Office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.

14. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. Instructions for voting through electronic means (e-voting)

i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

ii) Shri V. Esaki (Membership No. 30353) Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iii) The Results of the voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

iv) Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the Paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of members or in the Register of Beneficial Owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.

v) The remote e-voting period begins on 18.09.2022 at 09.00 A.M. and ends on 20.09.2022 at 05.00 P.M. During this period, the members holding shares either in physical form or in dematerialized form as on 14.09.2022 i.e. cut-off date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

vi) Those members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

vii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

viii) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com mentioning their demat account number / folio number, PAN, name and registered address. However, if he / she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.

ix) **Process and manner for Remote e-voting** :

Members are requested to follow the below instructions to cast their vote through e-voting.

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

Step 1 : Access to NSDL e-Voting system

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

Step 1 : Access to NSDL e-Voting System

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding Securities in demat mode:

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

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

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

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

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

Helpdesk for Individual Shareholders holding Securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call toll free number 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding Securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542 – 43.

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

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

5. Your password details are given below:
   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

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

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

1. After successful login at Step 1, you will be able to see the all the Companies 'EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to esakics@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 and 1800-22-44-30 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, "A" wing, 4th Floor, Kamala Mills Compound, Senapati Bapat, Lower Parel, Mumbai or to the email ID pallavid@nsdl.co.in/SoniS@nsdl.co.in or at telephone nos.+912224994545 / +912224994559, who will also address the grievances connected with voting by electronic means. Member may also write to the Company Secretary's email address cs@madrasfert.co.in.

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

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

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

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

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

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

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders / Members who need assistance before or during the AGM, can contact NSDL official Ms.Sarita Mote on Toll fee no. 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
6. Members seek any information with regard to the annual accounts for 2021-22 or any business to be dealt at the AGM, are requested to send an e-mail to cs@madrasfert.co.in on or before 14.09.2022, along with their name, DP ID and Client ID / folio number, PAN and mobile number. The same will be replied by the Company suitably.
7. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / Folio number, PAN and mobile number at cs@madrasfert.co.in on or before 14.09.2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board
Sd/-
U Saravanan
Chairman & Managing Director
DIN : 07274628

Chennai
August 26, 2022

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

Item No.3: Appointment of Shri Gurumurthy Kyathari (DIN 08741900) as a Director of the Company

Department of Fertilizers vide O.M.No.95/1/2019-HR PSU dated September 29, 2021 communicated the appointment of Shri Gurumurthy Kyathari (DIN 08741900), as a part time Government Nominee Director on the Board of Madras Fertilizers Limited effective September 29, 2021 until further orders.

Shri Gurumurthy Kyathari (DIN 08741900), was appointed as Government Nominee Director of the Company pursuant to Section 161 (3) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Board of Directors at their meeting held in October 27, 2021 with effect from September 29, 2021.

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

The resolution seeks the approval of members for the appointment of Shri Gurumurthy Kyathari as Government Nominee Director of the Company effective September 29, 2021 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall be liable to retire by rotation.

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

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

Profile of Shri Gurumurthy Kyathari

DIN	08741900
Date of Birth	01.06.1967
Date of appointment/Change in terms of appointment	29.09.2021
Relationship with Directors/KMP	No
Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Constitutional Law, Finance, Vigilance & Establishment.
Number of shares held in the Company as on March 31,2022	Nil
List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31, 2022	1
Number of Board Meeting attended during the year 2021-2022	4

Item No.4 : Appointment of Shri Nalabothu Venkata Rao (DIN 00310724) as a Director of the Company

Department of Fertilizers vide O.M.No.78/2/2006-HR-PSU (pt II) dated November 05, 2021 communicated the appointment of Shri Nalabothu Venkata Rao by Appointment Committee of the Cabinet vide its O.M.No.20/29/2021-EO(ACC) dated 02.11.2021 as Non-Official Independent Director on the Board of Madras Fertilizers Limited effective November 05, 2021 until further orders.

Shri Nalabothu Venkata Rao fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Shri Nalabothu Venkata Rao, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"),(ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company has considered that Shri Nalabothu Venkata Rao possesses diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast business experience, as being key requirements for this role.

Considering the above, the Board opined that Shri Nalabothu Venkata Rao has fulfilled the conditions specified in the Section 149, 152 and 161 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Board of Directors at their meeting held on February 10, 2022 accorded approval for his appointment as Independent Director of the Company, not liable to retire by rotation, for three years effective from November 05, 2021 or until further orders.

The resolution seeks the approval of members for the appointment of Shri Nalabothu Venkata Rao as an independent director of the Company for a period of three years with effect from November 05, 2021 or until further orders, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

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

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

Profile of Shri Nalabothu Venkata Rao

DIN	00310724
Date of Birth	01.06.1957
Date of appointment/Change in terms of appointment	05.11.2021
Relationship with Directors/KMP	No
Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Possessing experience in Dairy Industry

Number of shares held in the Company as on March 31,2022	Nil
List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31,2022	-
Number of Board Meeting attended during the year 2021-2022	2

Item No.5 : Appointment of Dr C R Jayanthi (DIN 09450350), as a Director of the Company

Department of Fertilizers vide O.M.No.78/2/2006-HR-PSU (pt II) dated November 05, 2021 communicated the appointment of Dr C R Jayanthi by Appointment Committee of the Cabinet vide its O.M.No.20/29/2021-EO(ACC) dated 02.11.2021 as Non-Official Independent Director on the Board of Madras Fertilizers Limited effective November 05, 2021 until further orders.

Dr C R Jayanthi fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Dr C R Jayanthi, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"),(ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company has considered that Dr C R Jayanthi possesses professional experience, leadership capabilities, expertise in governance and vast administrative experience, as being key requirements for this role.

Considering the above, the Board opined that Dr C R Jayanthi has fulfilled the conditions specified in the Section 149, 152 and 161 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Board of Directors at their meeting held on February 10, 2022 accorded approval for her appointment as Independent Director of the Company, not liable to retire by rotation, for three years effective from December 28, 2021 or until further orders.

The resolution seeks the approval of members for the appointment of Dr C R Jayanthi as an independent director of the Company for a period of three years with effect from December 28, 2021 or until further orders, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item No. 5 for the approval of members by the way of special resolution.

No director, key managerial personnel or their relatives except Dr C R Jayanthi, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item No.5.

Profile of Dr C R Jayanthi

DIN	09450350
Date of Birth	19.12.1961
Date of appointment/Change in terms of appointment	28.12.2021
Relationship with Directors/KMP	No

Shareholding in the Company	No
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Doctor by Profession with 31 years of professional experience
Number of shares held in the Company as on March 31,2022	Nil
List of the Directorships held in other Listed Companies	Nil
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31,2022	Nil
Number of Board Meeting attended during the year 2021-2022	2

Item No.6: Appointment of Shri Sanjay Shetye (DIN 01089380) as a Director of the Company

Department of Fertilizers vide O.M.No.78/2/2006-HR-PSU (pt II) dated December 31, 2021 communicated the appointment of Shri Sanjay Shetye by Appointment Committee of the Cabinet vide its O.M.No.20/29/2021-EO(ACC) dated 20.12.2021 as Non-Official Independent Director on the Board of Madras Fertilizers Limited effective December 31, 2021 until further orders.

Shri Sanjay Shetye fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Shri Sanjay Shetye, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"),(ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company has considered that Shri Sanjay Shetye possesses rich experience as entrepreneur, diverse skills, leadership capabilities, expertise in governance and vast business experience, as being key requirements for this role.

Considering the above, the Board opined that Shri Sanjay Shetye has fulfilled the conditions specified in the Section 149, 152 and 161 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Board of Directors at their meeting held on February 10, 2022 accorded approval for his appointment as Independent Director of the Company, not liable to retire by rotation, for three years effective from December 31, 2021 or until further orders.

The resolution seeks the approval of members for the appointment of Shri Sanjay Shetye as an independent director of the Company for a period of three years with effect from December 31, 2021 or until further orders, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item No. 6 for the approval of members by the way of special resolution.

No director, key managerial personnel or their relatives except Shri Sanjay Shetye, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item No.6.

Profile of Shri Sanjay Shetye

DIN	01089380
Date of Birth	16.01.1966
Date of appointment/Change in terms of appointment	31.12.2021
Relationship with Directors/KMP	No
Shareholding in the Company	N0
Remuneration proposed to be paid	Nil
Expertise in specific functional area	Event Management, Creative, Graphics, Film Production and Photography
Number of shares held in the Company as on March 31,2022	Nil
List of the Directorships held in other Listed Companies	-
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director as on March 31,2022	-
Number of Board Meeting attended during the year 2021-2022	2

Item No.7: Appointment of Cost Auditor for the year 2022-23

The company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board at its meeting held on 18/07/2022 on the recommendation of the Audit Committee, approved the appointment and remuneration of ₹ 1,10,000 plus GST as applicable and reimbursement of out of pocket expenses, to Mrs. Aruna Prasad (M No. 11816) Cost Account as me, to conduct the audit of the cost records of the Company, for the Financial Year ending March 31, 2023.

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

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2023 as set out in the resolution, for the services rendered / to be rendered by the Cost Auditor.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the notice.

Inspection of Documents

The documents pertaining to Special Businesses will be made available electronically for inspection by the Members during the AGM. Members intending to inspect are requested to write to cs@madrasfert.co.in

MADRAS FERTILIZERS LIMITED
(A Government of India Undertaking)
CIN – L32201TN1966GOI005469
Regd. Office: Post Bag No.2, Manali, Chennai 600 068
Tel.044-25942281 / 25945489
Website: www.madrasfert.co.in email: cs@madrasfert.co.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADRAS FERTILIZERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Madras Fertilizers Ltd for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory auditor / auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with Standards of Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them **vide their revised audit report 20 July 2022** which supersedes their earlier audit report dated 19 May 2022.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Madras Fertilizers Limited** for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Financial Position
Equity and Liabilities
Non-Current Liabilities
Deferred Tax Liability (Note 5.1.a) : Rs. 25.17 crore.

The above does not include Rs.24.52 crore being the deferred tax liability on account of tax effect due to fair market value change of investment with reference to cost of acquisition of the investment. Company held 5,28,000 shares of Indian Potash Limited (IPL) as on 1 April 2001 and had received 10,56,000 bonus shares in subsequent years. Company has assessed fair market value of investment in IPL at Rs.249.63 crore as on 31 March 2022. As per section 52 (2)(aa)(B)(iiia) of Income Tax Act, 1961, in relation to financial assets allotted to the assessee without any payment and on the basis of holding any other financial assets, cost of acquisition shall be taken to be nil.

To compute the cost of acquisition of investment in IPL, Company had considered all shares held in IPL including 10,56,000 bonus shares. Company had computed cost of acquisition of shares held on 1 April 2001 in IPL at Rs.160.72 crore with cost indexation up to 2021-22 which includes Rs.107.17 crore cost of acquisition assigned to bonus shares. This was in violation of provision of Income Tax Act, 1961 and had resulted in incorrect computation of deferred tax liability as on 31 March 2022. The tax liability on account of fair valuation of investment in IPL with nil acquisition cost to bonus shares worked out to Rs.44.86 crore as against Rs.20.34 crore accounted by the Company.

This has resulted in understatement of 'Deferred Tax Liabilities' and overstatement of 'Other Comprehensive Income' by Rs.24.52 crore.

For and on the behalf of the
Comptroller & Auditor General of India
Sd/-
(Keerti Tewari)
Director General of Audit (AF&WR)

Place : New Delhi
Date : 09.09.2022

REPLY TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) BY MADRAS FERTILIZRS LIMITED MANAGEMENT ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2022

COMMENTS OF THE CAG	REPLY
A. **Comments on Financial Position** **Equity and Liabilities** **Non-Current Liabilities** **Deferred Tax Liability (Note 5.1.a) : Rs. 25.17 crore.** The above does not include Rs.24.52 crore being the deferred tax liability on account of tax effect due to fair market value change of investment with reference to cost of acquisition of the investment. Company held 5,28,000 shares of Indian Potash Limited (IPL) as on 1 April 2001 and had received 10,56,000 bonus shares in subsequent years. Company has assessed fair market value of investment in IPL at Rs.249.63 crore as on 31 March 2022. As per section 52 (2)(aa)(B)(iiia) of Income Tax Act, 1961, in relation to financial assets allotted to the assessee without any payment and on the basis of holding any other financial assets, cost of acquisition shall be taken to be nil. To compute the cost of acquisition of investment in IPL, Company had considered all shares held in IPL including 10,56,000 bonus shares. Company had computed cost of acquisition of shares held on 1 April 2001 in IPL at Rs.160.72 crore with cost indexation up to 2021-22 which includes Rs.107.17 crore cost of acquisition assigned to bonus shares. This was in violation of provision of Income Tax Act, 1961 and had resulted in incorrect computation of deferred tax liability as on 31 March 2022. The tax liability on account of fair valuation of investment in IPL with nil acquisition cost to bonus shares worked out to Rs.44.86 crore as	The findings of Comptroller and Auditor General of India (C&AG) is mainly due to consideration of acquisition cost of bonus shares as NIL, whereas the company has considered acquisition cost as that including the bonus shares. The company's decision is based on the following factors: i. Basically, the investment in equity shares of Indian Potash Limited classified under "Financial Assets- Investments (Non-Current)" in the standalone financial statements of the Company, which are not intended for sale in near future. ii. The measurement of deferred tax assets and liabilities are mere accounting estimates which will be reviewed at the end of each reporting period. *(Emphasis added to Para 56 of Ind AS 12 Income Taxes).* iii. Fair market value measurement is also a best estimate and takes into account the characteristics of the relevant Asset/liability if market participants would take those characteristics into account when pricing the asset/liability at the measurement date. The unlisted equity shares viz., Indian Potash Limited do not have observable market to provide pricing information about the sale of such shares at the measurement date, the fair value measurement is assumed as if a transaction has taken place at that considered from the perspective of market

against Rs.20.34 crore accounted by the Company. This has resulted in understatement of 'Deferred Tax Liabilities' and overstatement of 'Other Comprehensive Income' by Rs.24.52 crore.	participants *(Refer Ind AS 113-Fair Value Measurement)* iv. That post the issuance of bonus shares, the market value and the intrinsic value of the original shares and bonus shares put together, will be nearly the same as per the value of the original share before the issue of bonus shares. Thus, any profit derived by the taxpayer from the receipt of bonus shares is adjusted by the depreciation in the value of the equity shares held. Section 55 of The Income Tax Act is applicable when actual sale transaction takes place. Since here it is only fair valuation of the shares in hand, cost of acquisition is shown for entire shares held on the closing date, which in our view is in accordance with the conservative principle on this matter. v. The Company had incurred operating losses till the year ended 31st March,2020 and made a nominal profit of Rs.2.87 Cr for the year ended 31st March,2021. The company has accumulated business losses of Rs.58.02 Cr and unabsorbed depreciation losses of Rs.47.34 Cr available and being carried forward for set off under the Income Tax Act as at 31st March,2021. vi. During the current period, the Company made a profit before tax of Rs.166.72 Cr and no provision was made for the current tax in view of brought forward business losses and unabsorbed depreciation losses. vii. Deferred tax expenses were recognised for the first time during the Financial year 2021-22, post transition to Ind AS by the company and entire portion is

	getting reflected under OCI only on account of fair value measurement of unlisted Equity shares. viii. Deferred tax measurement involves significant management judgements and other estimates over the applicable tax provisions. ix. Fair market value measurement is also a best estimate and takes into account the characteristics of the relevant Asset/liability if market participants would take those characteristics into account when pricing the asset/liability at the measurement date. The unlisted equity shares viz., Indian Potash Limited do not have observable market to provide pricing information about the sale of such shares at the measurement date, the fair value measurement is assumed as if a transaction has taken place at that considered from the perspective of market participants. x. Further, an estimate may need revision if changes occur in the circumstances on which the estimates were based or as a result of new information or out of experience. By its nature the revision of an estimate does not relate to prior periods and not the correction of the error. xi. The total other comprehensive income recognised in statement of profit and loss account towards fair valuation of non-current investments is Rs.46.50 Cr (Gross) for the current year. The actual impact on account of deferred taxes is only Rs.10.64 Cr for the fair valuation gain recognised during the current year.

	xii. The fair value measurement of unlisted Equity shares and the deferred tax thereon are mere accounting estimates and are reflected under "Other Comprehensive Income", which is a notional recognition of unrealised gain/loss, which will not be reckoned either for Earnings per share nor net worth computation of company. The Other Comprehensive income is just a notional income and expenditure, which will not impact company's financial performance, financial position and liquidity thereon. The findings of Comptroller and Auditor General of India (C&AG) is noted for future guidance and will be reviewed during the next year for appropriate action.
For and on the behalf of the Comptroller & Auditor General of India Sd/- **(Keerti Tewari)** **Director General of Audit (AF&WR)** Place : New Delhi Date : 09.09.2022	**For and on behalf of the Board of Directors** Sd/- **U Saravanan** **Chairman & Managing Director** Place : Chennai Date : 12.09.2022