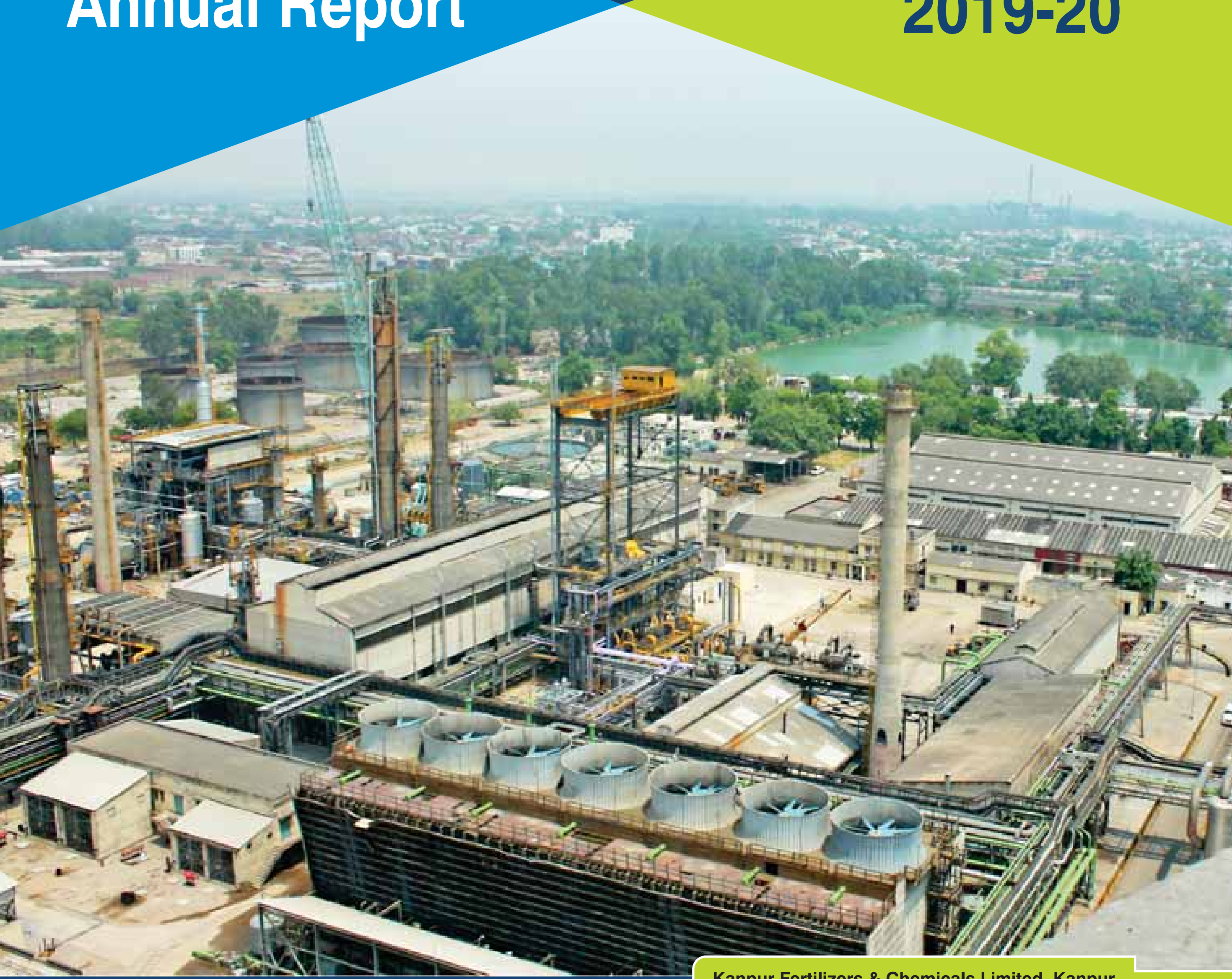
Annual Report 2019-20



Kanpur Fertilizers & Chemicals Limited, Kanpur

KANPUR FERTILIZERS & CHEMICALS LIMITED

(formerly known as Kanpur Fertilizers & Cement Limited till 8th December, 2019)

JAYPEE GROUP

Board of Directors

Manoj Gaur, Chairman

A.K. Jain, Vice Chairman & CEO

Sunny Gaur

R.K. Pandey

S.D. Nailwal

Sunita Joshi

Gaurav Jain

Anil Mohan (w.e.f. 13.04.2020)

S.C.K. Patne (w.e.f. 03.05.2020)

K.V. Rajendran (w.e.f. 03.05.2020)

Bankers/Lenders

State Bank of India

ICICI Bank Limited

India Infrastructure Finance Company Limited

Yes Bank Limited

Srei Equipment Finance Limited

Registered Office

CIN: U24233UP2010PLC040828
Sector – 128, Noida 201 304 (U.P.)
Tel.: +91 120 4609000; Fax: +91 120 4963122
Website: *www.kfclkanpur.com*

Company Secretary

Ms. Suman Lata

Statutory Auditors

M/s Ravi Rajan & Co.
Chartered Accountants, New Delhi

Internal Auditors

M/s R. Nagpal Associates
Chartered Accountant, New Delhi

Cost Auditors

M/s Kabra & Associates
Cost Accountants, New Delhi

Secretarial Auditors

M/s SGS Associates,
Company Secretaries, New Delhi

Registrar & Transfer Agents

Alankit Assignments Limited,
205-208 Anarkali Complex, Jhandewalan Extn.,
New Delhi 110055
Tel: 91-11-42541234, 23541234
Fax: 91-11-23552001
E-mail: info@alankit.com,
Website: alnakit.com

CONTENTS	Page No.

NOTICE

Notice is hereby given that the **Tenth Annual General Meeting** of the Members of **KANPUR FERTILIZERS & CHEMICALS LIMITED** will be held on **Saturday**, the **26th September, 2020,** at **11.30 A.M.** Indian Standard Time ("IST"), through Video Conferencing / Other Audio Visual Means ("VC / OAVM") Facility in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020, to transact the following businesses.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri R.K. Pandey (DIN:00190017),** who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Sunny Gaur (DIN:00008293),** who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

4. **RATIFICATION OF THE REMUNERATION OF COST AUDITORS**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder as amended from time to time, the remuneration payable to **M/s. Kabra & Associates, Cost Accountants, New Delhi (Firm Regn. No. 000075)** appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ending on 31st March, 2021, as set out in the statement annexed to the Notice convening this Meeting be and is hereby ratified."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. **APPOINTMENT OF SHRI ANIL MOHAN (DIN: 08733802) AS DIRECTOR**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Anil Mohan (DIN: 08733802) be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. **APPOINTMENT OF SHRI SATISH CHARAN KUMAR PATNE (DIN: 00616104) AS AN INDEPENDENT DIRECTOR**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act and the Articles of Association of the Company and based on the recommendations of Nomination and Remuneration Committee, Shri Satish Charan Kumar Patne (DIN: 00616104), an Additional Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who qualifies for being appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 3rd May, 2020 to 2nd May, 2023 and whose period of office shall not be liable to retire by rotation."

7. **APPOINTMENT OF SHRI KRISHNASWAMY VENKATRAMAN RAJENDRAN (DIN: 02468551) AS AN INDEPENDENT DIRECTOR**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, and the Articles of Association of the Company and based on the recommendations of Nomination and Remuneration Committee, Shri Krishnaswamy Venkatraman Rajendran (DIN: 02468551), an Additional Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who qualifies for being appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years from 3rd May, 2020 to 2nd May, 2023 and whose period of office shall not be liable to retire by rotation."

Regd. Office : **By Order of the Board of Directors**

Sector-128,
Gautam Budh Nagar
Noida- 201304, (U.P.)
www.kfclkanpur.com

SUMAN LATA
COMPANY SECRETARY
FCS: 4394

Place : New Delhi
Date : 23rd May, 2020

NOTES

1. The Explanatory Statements pursuant to the provisions of Section 102 of the Companies Act, 2013 (the "Act"), setting out material facts for the proposed resolutions at Item No. 4 - 7 are annexed herein below. Special business under item no. 4 to 7, being considered unavoidable by the Board of Directors, be transacted at the 10th AGM of the Company.
2. **THE ANNUAL GENERAL MEETING (AGM) OF MEMBERS OF THE COMPANY SHALL BE CONVENED THROUGH VIDEO CONFERENCING FACILITY UNDER THE GUIDELINES ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS THROUGH GENERAL CIRCULAR NOS. 14/2020 DATED 8TH APRIL, 2020, 17/2020 DATED 13TH APRIL, 2020 AND 20/2020 DATED 5TH MAY, 2020.** AGM does not require physical presence of members at a common venue. The

deemed venue for the Tenth AGM shall be the Registered Office of the Company.

3. This Notice will also be placed on the website of the Company i.e. www.kfclkanpur.com.

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 19th day of September, 2020 to Saturday, the 26th day of September, 2020 (both days inclusive).

5. The Members are requested to follow the below mentioned instructions:-

PARTICIPATION:

I. Pursuant to the aforementioned general circulars, the physical presence of the Members has been dispensed with and, therefore, the appointment of Proxy (ies) is not permitted.

However, in pursuance of section 112 and 113 of the Companies Act, 2013, Corporate Member(s) intending to appoint its Authorized Representative to participate in the meeting are requested to send a duly certified copy of the Board Resolution, at kfcl.investor@jalindia.co.in, authorizing the representative to participate and vote on its behalf at the Tenth Annual General Meeting till Friday, 25th September, 2020 till 6.00 p.m.

II. Members may join the Tenth AGM through Video Conferencing ("VC") Facility which shall be kept open for the Members from 11:00 a.m. IST i.e. 30 minutes before the time scheduled to start the Tenth AGM and will be closed 30 minutes after the conclusion of Tenth AGM.

III. On the date of the meeting, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting, may join the meeting using zoom Dial-in details as follows :

https://zoom.us/j/9442927281?pwd=VXFud0lqV2hoS2kzWFlvT0Z3ZWlIQT09

Meeting ID: 944 292 7281

Passcode: 636363

IV. In case, any member requires any assistance for using the aforementioned Dial-in before or during the meeting, may contact the Authorised Representative on 011-49828625 or at *kfcl.investor@jalindia.co.in*

V. In order to ensure the smooth participation, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting are requested to ensure that the device used for attending the meeting through video conferencing has strong internet signal/ network.

VOTING:

I. Where less than 50 members are present in the meeting, the voting at the Annual General Meeting shall be done by show of hands unless a demand for poll is made by any member. In case a poll is demanded, the Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013 and rules made thereunder.

II. In case voting by poll is demanded:

Where a poll on any item is required, the members may vote by sending an e-mail **through their registered email id** (to avoid rejection) **only** at *kfcl.investor@jalindia.co.in* stating their assent/ dissent against the items mentioned in the Polling paper annexed herewith or else write a mail mentioning :

a) I agree to all Resolutions

or

b) I agree to all Resolutions except Item No………

or

c) I disagree to all Resolutions

III. In case, shares are held jointly, vote by poll shall be casted by the first named Member and in his/her absence, by the next named Member.

IV. The Company has appointed **M/s. Anjali Yadav & Associates (Membership No. F6628 & Certificate of Practice No. 7257),** Proprietor, as Scrutinizer, in case of voting through Poll to ensure the scrutiny of the votes cast on a poll is done in a fair and transparent manner.

V. The Scrutinizer will submit their report to the Chairman or a person authorized by him after scrutinizing the votes received & the result shall be declared by the Chairman or a person authorized by him with details of the number of votes cast in favor or against the Resolution, invalid votes and whether the Resolution has been carried or not.

VI. The result of the Poll will be displayed on the Notice Board of the Company and on the website of the Company i.e. *www.kfclkanpur.com.*

VII. The Scrutinizer's decision on the validity or otherwise of the poll will be final.

VIII. The documents referred to in the proposed resolutions shall be available for inspection on the website of the company.

IX. The members are allowed to submit questions in advance at least 7 (seven) days before the Meeting. Questions can be raised on email *kfcl.investor@jalindia.co.in.*

OTHER INSTRUCTIONS/ INFORMATION:

I. Members are requested to address all communications through their registered e-mail id only.

II. Pursuant to General Circular 20/2020 dated 5th May, 2020, the Annual Report of the Company i.e. Financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) will be sent through e-mail only and no separate physical copy of the same shall be dispatched to any member.

III. Attendance of the Members participating in the Tenth AGM through Video Conferencing Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

IV. The recorded transcript shall be available on the website of the Company at *www.kfclkanpur.com* post conclusion of the meeting.

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

VI. The documents relating to matters set out in the Notice including the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act can be requested via email by writing to the Company Secretary at *kfcl.investor@jalindia.co.in* on all working days up to and including the date of the meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4

The Board, on the recommendation of the Audit Committee, in its Meeting held on 23rd May, 2020, approved the appointment and remuneration of M/s Kabra & Associates (Firm Registration No. 000075), as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending on 31st March, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for payment of Audit fees amounting to Rs. 3,00,000 (Rupees Three Lakh only), payable to the Cost Auditors for conducting audit of the Cost Records of the Company for the Financial Year ending on 31st March, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, financially or otherwise, concerned or interested in this Resolution.

The Board recommends the Resolution Set forth at Item No. 4 of the Notice for approval of the members as an **Ordinary Resolution.**

Item No. 5

Shri Anil Mohan was appointed as an Additional Director by the Board of Directors on 13th April, 2020. By virtue of Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company, he holds office upto the date of ensuing Annual General Meeting of the Company.

Shri Anil Mohan, aged about 67 years, B.A., LL.B., Diploma in HRD from IMT Ghaziabad has served Central Reserve Police Department as Dy SP, worked as Assistant Inspector General in Special Protection Group (Cab. Sect.) for 10 years. He is having vast experience in the field of Administration, Management and Human Resource Development (HRD). He is associated with the Jaypee Group since 2002.

Shri Anil Mohan was co-opted as an Additional Director by the Board with effect from 13th April, 2020 and his term expires at this Annual General Meeting. His appointment as Director liable to retire by rotation requires approval of the members.

Shri Anil Mohan does not hold any shares (either in his name or in the name of any other persons on a beneficial interest basis) in the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Shri Anil Mohan is interested in the Resolution.

The Board of Directors recommends the Resolution set out at Item No. 5 for the approval of the members as an **Ordinary Resolution**.

Item No.6 and 7

Appointment of Independent Directors

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, appointed two Independent Directors namely, Shri Satish Charan Kumar Patne and Shri Krishnaswamy Venkatraman Rajendran for a term of three consecutive years with effect from 3rd May, 2020 to 2nd May, 2023. The appointments of Non-Executive Independent Directors are to be ratified by the Shareholders.

Shri Satish Charan Kumar Patne and Shri Krishnaswamy Venkatraman Rajendran are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors of the Company. The Company has received declarations from Shri Satish Charan Kumar Patne and Shri Krishnaswamy Venkatraman Rajendran that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Shri Satish Charan Kumar Patne and Shri Krishnaswamy Venkatraman Rajendran fulfill the conditions for their appointment as Independent Directors as specified in the Act. Shri Satish Charan Kumar Patne and Shri Krishnaswamy Venkatraman Rajendran are independent of the management and possess appropriate skills, experience and knowledge.

A. Brief resume of Shri Satish Charan Kumar Patne

Shri Satish Charan Kumar Patne (DIN: 00616104), aged about 76 years, is B.Sc. Engineering (Chemical) Graduate from BIT, Sindri. He has more than 41 years of rich and varied experience in management as a whole and the steel industry in particular. He has an illustrative career spanning over 3 decades with Steel Authority of India Limited. Shri Patne was the Managing Director/Chairman of the Indian Iron & Steel Company Limited and was also on the Boards of several companies in the past. He also served as an Advisor & Director and Chief Operating Officer (Steel) in Jaypee Group. He is currently on the Board of Umas Enterprises Private Limited, Jaiprakash Associates Limited and Bhilai Jaypee Cement Limited.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Satish Charan Kumar Patne be appointed as an Independent Director of the Company.

A copy of the draft letter of appointment of Shri Satish Charan Kumar Patne as an Independent Director setting out the terms and conditions is available for inspection by members on the website of the Company.

Shri Satish Charan Kumar Patne does not hold any shares (either in his name or in the name of any other persons on a beneficial interest basis) in the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Shri Satish Charan Kumar Patne is interested in the Resolution.

The Board of Directors recommends the Resolution set out at Item No. 6 for the approval of the members as a **Special Resolution.**

B. Brief resume of Shri Krishnaswamy Venkatraman Rajendran

Shri Krishnaswamy Venkatraman Rajendran (DIN: 02468551), aged about 67 years holds Post Graduation degree in Psychology and PG Diploma in Radiological Physics from BARC, Bombay University. He has more than 40 years of rich and varied experience in HR, Business Development and corporate planning. He has served as Executive Director of Alstom Projects India Limited, as Senior Vice President HR of Sterlite Industries India Ltd. (at Hindustan Zinc Limited). He was the Director of Dalmia (Bros.) Pvt Ltd., Mohinani Group Accra, Ghana and was associated with Jaypee Group as Senior President (HR) in the year 2013-14.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Krishnaswamy Venkatraman Rajendran be appointed as an Independent Director of the Company.

A copy of the draft letter of appointment of Shri Krishnaswamy Venkatraman Rajendran as an Independent Director setting out the terms and conditions is available for inspection by members on the website of the Company.

Shri Krishnaswamy Venkatraman Rajendran does not hold any shares (either in his name or in the name of any other persons on a beneficial interest basis) in the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Shri Krishnaswamy Venkatraman Rajendran is interested in the Resolution.

The Board of Directors recommends the Resolution set out at Item No. 7 for the approval of the members as a **Special Resolution.**

Regd. Office :
Sector-128,
Gautam Budh Nagar
Noida- 201304, (U.P.)

By Order of the Board of Directors

Place : New Delhi
Date : 23rd May, 2020

SUMAN LATA
COMPANY SECRETARY
FCS: 4394

DIRECTORS' REPORT

To,

The Members,

The Directors of your Company are pleased to present the **Tenth Annual Report** together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

The working results of the Company for the year under Report are as under:

(Rs. in Crores)

		Year ended 31.03.2020	Year ended 31.03.2019
(A)	**PROFITABILITY**		
	Gross Total Revenue	**2479.92**	**2477.37**
	Profit before Interest, Depreciation & Tax	**203.29**	**193.44**
	Less : Finance Cost	118.58	115.93
	Less : Depreciation	73.93	74.03
	Profit before Exceptional items & Tax	**10.78**	**3.48**
	Exceptional/Extra-ordinary Items	8.56	0.08
	Profit before Tax	**2.22**	**3.40**
	Tax Expense	1.35	1.08
	Profit after Tax	**0.87**	**2.32**
	Other Comprehensive Income	-0.04	-0.03
	Total Comprehensive Income	**0.83**	**2.29**
	Basic Earnings Per Share	0.03	0.10
	Diluted Earnings Per Share	0.02	0.07
(B)	**ASSETS & LIABILITIES**		
	Non Current Assets	818.62	946.22
	Current Assets	1563.93	1275.12
	Total Assets	**2382.55**	**2221.34**
	Equity Share Capital	290.96	290.96
	Other Equity	534.92	534.09
	Non Current Liabilities	172.16	243.09
	Current Liabilities	1384.51	1153.20
	Total Equity & Liabilities	**2382.55**	**2221.34**

2. OPERATIONAL PERFORMANCE

During the year under Report, the Company was able to achieve 100% capacity utilization. Energy consumption has reduced to 6.97 GCal per ton of urea from 7.12 GCal per ton of urea in the previous year 2018-19. Delay in subsidy resulted into delay in payments to GAIL and KESCO and delays in repayment of term loan of IIFCL. State Bank of India did not allow repayment of loan availed from Yes Bank Limited (YBL) which was due since June 30, 2019. Yes Bank has declared Company's account as NPA and the rating of the Company has been downgraded to "D" from "BBB-". During the year under Report, there was no change in the nature of business of the Company.

During the year under Report COVID - 19 pandemic has affected the world and your Company is no exception. The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the Indian Government to contain the virus have affected economic activity. While many sectors are under pressure due to the spread of corona virus, the fertilizer sector is not an exception due to shortage of manpower, stressed cash flow and lack of farmer participation to purchase fertilizers through POS machine.

The Company has taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our employees (like social distancing and working from home) and securing the supply of materials that are essential to our production process. At this stage, the impact on fertilizer business and results is limited. The Company will continue to follow the various national institutes' policies and advice and in parallel will do utmost to continue its operations in the best and safest way possible without jeopardizing the health of our employees.

In India, the lockdown on fertilizer movements and operations has led to substantial losses in domestic urea production. The major impact of COVID-19 on the Company are:

1. Due to poor availability of contract labour and Company's own employees, the production and revenue of the Company might be affected.
2. The plant could not be run on full capacity due to very slow receipt of bags and coal.
3. Supply of urea by road would be affected due to poor availability of trucks.
4. POS sales under DBT has been badly affected as the farmers are hesitant to scan the fingers on the machines. This has resulted into stocks remaining unbilled for subsidy.
5. Severe cash crunch consequent upon delay in receipt of subsidy. And thus, power supply can be adversely affected.
6. GoI has not fixed the energy norms for subsidy payment to the Company from Financial Year 2020 onwards.

Consequent to lockdown, the plant operations of your company with all three trains could be stabilized on 20th April, 2020, in view of poor availability of labour/staff. The shortfall in production during April was around 20000 MT. There is still shortage of trucks for inward and outward movement affecting production.

Except as disclosed elsewhere in this Report, no material changes and commitments have occurred after the end of the Financial Year 2019-20, till the date of this Report, which may affect the financial position of the Company.

Risk management and Internal controls systems

In view of COVID – 19 lesser availability of labour/employees and the inaccessibility of some business locations may lead to risk of loss of production and thus, revenue. Various actions/ changes may be unavoidable or considered necessary in the short-term to maintain some level of operations.

Your Company is exploring the use of Poly Proplene bags instead of High Density Poly Ethylene (HDPE) bags which are in short supply to augment the short fall of packing material.

Your company is making efforts to improve the cash flows through better management of cash collection from dealers and also liaising for higher quantum of subsidy during May and June, 2020.

3. DIVIDEND

In order to conserve resources, the Directors of your Company express their inability to recommend any dividend for the Financial Year ended 31st March, 2020.

4. CHANGES IN SHARE CAPITAL

During the year under Report, there was no change in the

Authorized Share Capital of the Company. As on 31st March, 2020, the total Authorized Share Capital of the Company was Rs. 1200,00,00,000 (Rupees Twelve hundred crores) divided into 82,50,00,000 Equity Shares of Rs. 10/- each and 35,00,00,000 Convertible Preference Shares of Rs. 10/- each and 2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 10/-each.

The total Paid-up Share Capital of the Company as on 31st March, 2020 was Rs. 352,45,72,250/- (Rupees Three hundred fifty two crores forty five lakh seventy two thousand two hundred and fifty) comprising of 29,09,57,225 Equity Shares of Rs. 10/- each and 6,15,00,000 Convertible Preference Shares of Rs. 10/- each.

During the year under Report, your Company has not issued any shares under the employee stock option schemes, sweat equity shares or any equity shares with differential rights, as to dividend, voting or otherwise. Further, the Company has not bought back its own securities, during the year under Report.

5. TRANSFER TO RESERVE

During the year under Report, your Company has not transferred any amount to General Reserve. Your Company has retained a sum of Rs. 87,35,387/- (Rupees Eighty Seven Lakh Thirty Five Thousand Three Hundred Eighty Seven Only) in Surplus of Profit & Loss Account and Rs. - 4,38,245/- (Negative Rupees Four Lakhs Thirty Eight Thousand Two Hundred Forty Five Only) in Other Comprehensive Income under the head Reserve and Surplus.

6. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company within the meaning of Section 2(87) of the Companies Act, 2013, Associate Company within the meaning of Section 2(6) of the Companies Act, 2013 and also does not have any Joint Venture Company.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri R.K. Pandey (DIN: 00190017) and Shri Sunny Gaur (DIN: 00008293), Directors of the Company would retire by rotation at the ensuing Annual General Meeting and being eligible; offer themselves for re–appointment.

During the year under review, the following changes occurred on the Board of the Company:

Sl. No.	Name of Directors	Designation	Date of Appointment	Date of Cessation	Reason
1	Shri Sainditta Mal Nagpal	Director	23.12.2017	27.01.2020	Resignation
2	Shri Sunil Joshi	Director	31.05.2010	18.03.2020	Demise
3	Shri Satish Charan Kumar Patne	Independent Director	28.05.2015	27.03.2020	completion of term as approved by the Shareholders
4	Shri Kuldip Chand Ganjwal	Independent Director	28.03.2015	27.03.2020	completion of term as approved by the Shareholders

After 31st March, 2020 and up to the date of the Report, following changes occurred on the Board of the Company:

Sl. No.	Name of Directors	Designation	Date of Appointment	Date of Cessation
1	Shri Anil Mohan	Director	13.04.2020	-
2	Shri Satish Charan Kumar Patne	Independent Director	03.05.2020	-
3	Shri Krishnaswami Venkatraman Rajendran	Independent Director	03.05.2020	-

The Board places on record its appreciation for the valuable contributions made by Shri S.D.M. Nagpal, Shri Sunil Joshi, Shri S.C.K. Patne and Shri K.C. Ganjwal during their tenure as Directors of the Company.

7.1 Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria of independence laid down under Section 149(6) of the Companies Act, 2013.

7.2 Meeting of Independent Directors

In terms of Schedule IV of Companies Act, 2013 read with Secretarial Standards issued by the ICSI, the meeting of the Independent Directors was held on 7th February, 2020, to enable Independent Directors to review the performance of the Chairman, Non-Independent Directors and the entire Board and also to review the quality, content, and timeliness of flow of information between the Company management and Board that was necessary for the Board to effectively and reasonably perform their duties.

7.3 Performance Evaluation

A performance evaluation of the Board, its Committees and individual Directors including the Independent Directors was carried out by the Board of Directors, pursuant to the provisions of the Companies Act, 2013, on the criteria and framework adopted by the Board.

The Board of Directors evaluated the performance of the Board, as a whole and of its Committees after seeking inputs from the Directors and from the members of the Committee(s) respectively, on the composition and structure, effectiveness of processes, information and functioning, etc. Further, the Board (excluding the Director being evaluated) evaluated the performance of individual directors on criteria such as participation/ contribution at the Board/Committee Meetings; general understanding of the Company's business dynamics etc. The Board noted satisfactory performance of the Board, its Committees and the individual Directors.

In addition to the criteria of evaluation for all Directors which is common for evaluation of both Independent and Non-executive Directors, an Independent Director was also evaluated on parameters including, exercise of objective independent judgment in the best interest of Company; ability to contribute and monitor corporate governance practice; and adherence to the code of conduct by Independent Directors. The evaluation for the year under Report has been completed.

8. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met four times during the Financial Year 2019-20, on 16th May, 2019, 26th July, 2019, 2nd November, 2019 and 7th February, 2020. The maximum interval between the two Board Meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

9. COMMITTEES OF THE BOARD

To provide detailed and necessary assistance in the Company's matters, the Board has constituted committees. The Board has a defined set of guidelines and an established framework for conducting the meetings of the said Committees. These guidelines seek to systematize the decision making process at the meetings in an informed and efficient manner

I. AUDIT COMMITTEE

A. Constitution

The constitution of the Audit Committee is in conformance with the requirements of Section 177 of the Act. All the members of the Committee have adequate knowledge of financial and accounting matters. The Company Secretary acts as the Secretary to the Audit Committee.

During the Financial Year 2019-20, the Audit Committee met four times, on 16th May, 2019, 26th July, 2019, 2nd November, 2019 and 7th February, 2020.

The Constitution of the Audit Committee and attendance of the members at its Meetings are as follows:

Name of Members	Number of Meetings during the year	
	Held during tenure	Attended
Shri S.C.K. Patne, Chairman*	4	4
Shri K.C. Ganjwal, Member**	4	4
Shri R.K. Pandey, Member	4	4
Shri K.V. Ranjendran***	0	0

* Shri S.C.K. Patne ceased to be Independent Director and member of Audit Committee due to expiry of his term on 27th March, 2020. However, he was again appointed as Independent Director and member of Audit Committee w.e.f. 3rd May, 2020.

** Shri K.C. Ganjwal ceased to be Independent Director and hence, member of Audit Committee w.e.f. 27th March, 2020.

*** Shri K.V. Rajendran appointed as Independent Director and member of Audit Committee w.e.f. 3rd May, 2020.

B. Terms of Reference

Role of the Audit Committee, inter alia, includes the following:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for its approval, particularly with reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Disclosure of any Related Party Transactions.

f) Qualifications in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

vi. Review and monitor the auditor's independence and performance and effectiveness of audit process;

vii. Examination of Financial Statements and the Auditors' Report thereon;

viii. Approving any subsequent modification of transactions of the company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the company, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;

xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;

xiv. Discussion with internal auditors of any significant findings and follow-up thereon;

xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

xvi. Reviewing the following information:

a) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by management;

b) Internal audit reports relating to internal control weaknesses; and

xvii. Carrying out any other function as mentioned in terms of reference of the audit committee.

II. NOMINATION AND REMUNERATION COMMITTEE

A. Constitution and attendance

The constitution of the Nomination and Remuneration Committee is in conformance with the requirements of Section 178 of the Act.

During the Financial Year 2019-20, the Committee met once on 16th May, 2019.

The constitution of the Nomination and Remuneration Committee and attendance of the members at its meetings are as under:

Name of Members	Number of Meetings during the year	
	Held during tenure	Attended
Shri S.C.K. Patne *	1	1
Shri K.C. Ganjwal **	1	1
Shri S.D.M. Nagpal ***	1	1
Shri S.D.Nailwal ****	0	0
Shri R.K. Pandey ****	0	0
Shri K.V. Rajendran*****	0	0

* Shri S.C.K . Patne ceased to be Independent Director and member of Nomination and Remuneration Committee due to expiry of his term w.e.f. 27th March, 2020. However, he was again appointed as Independent Director and member of Nomination and Remuneration Committee w.e.f. 3rd May, 2020.

** Shri K.C. Ganjwal ceased to be Independent Director and chairman of Nomination and Remuneration Committee due to expiry of his term w.e.f. 27th March, 2020.

*** Shri S.D.M. Nagpal ceased to be Director and member of Nomination and Remuneration Committee due to his resignation w.e.f. 27th January, 2020.

**** Shri S.D. Nailwal and Shri R.K. Pandey were appointed as members of Nomination and Remuneration Committee w.e.f. 7th February, 2020.

***** Shri K.V. Rajendran has been appointed as Independent Director and chairman of Nomination and Remuneration Committee w.e.f. 3rd May, 2020.

B. Terms of Reference

Role of the Nomination and Remuneration Committee, inter alia, includes the following:

i. Identify persons who are qualified to become directors or senior management employees and recommend to the Board their appointment/ removal;

ii. Evaluate every Director's performance;

iii. Formulate criteria for determining qualifications, positive attributes and independence of a Director;

iv. Recommend to the Board a policy relating to remuneration for the Directors, KMPs & other employees;

v. To approve the extension or continuation of terms of appointment of Independent Directors on the basis of their performance evaluation;

vi. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;

vii. Authorize Chairman of the Committee or any member authorised by him to attend all General Meetings of the Company;

viii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

C. Nomination and Remuneration Policy

In terms of Section 178(3) of the Companies Act, 2013 read with Rules framed thereunder, the Board on recommendation of Nomination and Remuneration Committee adopted a Nomination & Remuneration Policy which, inter-alia, enumerates directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided therein. The said 'Nomination and Remuneration Policy' is annexed herewith as **Annexure-I** to this Report.

III. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

A. Constitution and attendance

The constitution of the Corporate Social Respnsibility (CSR) Committee is in conformance with the requirements of Section 135 of the Act.

During the Financial Year 2019-20, the Committee met once on 16th May, 2019. The constitution of the CSR Committee and attendance of the members at its meetings are as under:

Name of Members	Number of Meetings during the year	
	Held during tenure	Attended
Shri A.K. Jain	1	1
Shri S.C.K Patne*	1	1
Ms. Sunita Joshi	1	1
Shri K.V. Rajendran**	0	0

* Shri S.C.K . Patne ceased to be Independent Director and member of CSR Committee due to expiry of his term w.e.f. 27th March, 2020. However, he was again appointed as Independent Director w.e.f. 3rd May, 2020.

** Shri K.V. Rajendran has been appointed as Independent Director and member of CSR Committee w.e.f. 3rd May, 2020.

B. Terms of Reference

The CSR Committee is constituted by the Board primarily to assist the Board in discharging the Company's social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy' and to recommend the amount of expenditure to be incurred on CSR activities.

C. CSR Policy

The Corporate Social Responsibility (CSR) Policy, as recommended by the CSR Committee, has been approved by the Board of Directors of the Company. CSR activities as mentioned in the CSR Policy are carried out under the guidance of the said Committee. During the year under report, the Company has spent over 2% of the Company's Average Net Profits for three immediately preceding financial years on CSR activities.

The financial data pertaining to the Company's CSR activities undertaken for the Financial Year ended 31st March, 2020 is presented in the prescribed format as **Annexure-II** to this Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the Financial Year ended 31st March, 2020 and the profit and loss of the Company for the year ended on that date;

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

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and the same are being strengthened on continuous basis from time to time.

11. LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan, given any guarantee, provided any security and made any investments as prescribed under Section 186 of the Companies Act, 2013 except investment in Security Deposit with Govt. & Public Bodies and others aggregating to Rs. 11.04 Lakhs.

12. RELATED PARTY TRANSACTION

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and all the related party transactions have been entered in accordance thereof and were in the ordinary course of business and at arm's length. Form AOC- 2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-III** to this Report.

Disclosure of transactions with related parties for which omnibus approval was granted and which are required to be disclosed in terms of Ind AS 24 is set out in Point 2 of Note No. 35 of the Financial Statements.

13. AUDITORS' AND AUDITORS' REPORT

I. Statutory Auditors

M/s Ravi Rajan & Co. LLP., Chartered Accountants, New Delhi (Firm Registration No. 009073N) were appointed as Statutory Auditors of the Company by the Shareholders in their 6th Annual General Meeting (AGM) held on 30th September, 2016 to hold the office for a period of five years i.e. till the conclusion of 11th AGM of the Company to be held in the year 2021.

The Notes to financial statements referred to in the Auditors' Report are self-explanatory and therefore do not require any further comments. The Auditors' Report on financial statements for the Financial Year ended 31st March, 2020, contains the following remarks under the head "Emphasis Matter" calling for information / explanation from the Directors in terms of Section 134(3) (f) of the Companies Act, 2013:

"The Company has defaulted in repayment of principal amount of Rs. 25.30 crores as at 31st March, 2020 which became due on quarter ended June, 2019, Sept., 2019 and Dec., 2019 to Yes Bank Limited. Overdue interest of Yes Bank Limited as on 31st March, 2020 is Rs. 6.96 crores. The account has been reported NPA by the Bank".

"The Company has defaulted in repayment of principal amount of Rs. 1.67 crores in the quarter ended 31st March, 2020 which has become due for the month of Jan. 2020 and Feb. 2020 to SREI Equipments. Overdue Interest of SREI Equipments as on 31st March, 2020 is Rs. 16.18 lakhs".

The Board's explanations with respect to above matters:

Loan availed from Yes Bank Limited: Loan amounting to Rs. 150 crore was borrowed from Yes Bank to pay advance to JAL towards uninterrupted power supply from their Churk Power Plant and had to be repaid out of the stake sale of BJCL shares held by JAL. The stake sale of BJCL shares by JAL got delayed. This loan is out of consortium of existing lenders of KFCL lead by SBI. Hence, SBI did not allow servicing of this loan. However, at the request of the Company, Yes Bank Limited is considering restructuring this loan. The restructuring proposal will be presented to the Consortium shortly.

Loan availed from SREI Equipment Finance Limited: Repayment has been started.

During the year under Report, no frauds were reported by the Auditors under second proviso to Section 143 (12) of the Companies Act, 2013.

II. Secretarial Auditors

The Board of Directors have appointed M/s SGS & Associates, Practicing Company Secretary as Secretarial auditor to conduct secretarial audit of the Company for the Financial Year ended 31st March, 2020 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder.

The Secretarial Audit Report for the Financial Year ended 31st March, 2020 is annexed as **Annexure-IV** to this Report.

III. Cost Auditors

The Board of Directors, on the recommendations made by the Audit Committee at its meeting held on 23rd May, 2020, have approved the appointment of M/s Kabra & Associates, Cost Accountants (Firm Registration No. 000075), as the Cost Auditors of the Company to conduct audit of the cost records for the Financial Year 2020-21 as required under Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Company has received consent from M/s Kabra & Associates, to act as the Cost Auditors for conducting audit of the cost records for the Financial Year 2020-21 along with a certificate certifying their independence and arm's length relationship with the Company. Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the ensuing AGM and has been included in the Notice of the 10th AGM of the Company.

IV. Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, M/s R Nagpal Associates, Chartered Accountants were appointed as the Internal Auditors to conduct the Internal Audit of the Company for the Financial Year 2020-21.

14. RISK MANAGEMENT

The Board of Directors is responsible for identifying, evaluating and managing all significant risks and uncertainties that can impact the Company. The Risk Management Policy, as approved and adopted by the Board alongwith the Company's overall Risk Management System and processes thereto, govern how the associated risks are identified, managed and addressed.

15. FIXED DEPOSITS

The Company has neither invited, nor accepted or renewed any fixed deposit during the period under Report in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

16. VIGIL MECHANISM

The Company has, in terms of the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, formulated a Vigil Mechanism Policy to maintain an open work environment in which the directors and the employees are able to report instances of any genuine concerns/grievances about any suspected or actual misconduct/ malpractice/ fraud/ unethical behavior without fear of intimidation or retaliation, to the Chief Executive Officer or in exceptional cases to the Chairman of the Audit Committee.

17. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has put in place an adequate system of internal financial controls with reference to its financial statements. During the year under Report, no material or serious observation has been received from the Internal Auditor of the Company for insufficiency or inadequacy of such controls.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,

FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure- V** to this Report.

19. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly complied by your Company.

20. EXTRACT OF ANNUAL RETURN

As provided under Section 134 (3) (a) of the Companies Act, 2013, the extract of Annual Return for the Financial Year ended 31st March, 2020, is mentioned in **Annexure-VI** in the prescribed From MGT-9 which forms part of this Report.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS & COURTS

During the year under Report, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under Report, no complaints were received by the Company.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names and other particulars of the employees drawing remuneration in excess of the prescribed limits is annexed as **Annexure – VII** to this Report.

Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

24. ACKNOWLEDGEMENT

The Board of Directors express their gratitude for the valuable support extended by the Government of Uttar Pradesh, Ministry of Chemicals & Fertilizers, Kanpur Electricity Supply Co. Ltd., GAIL (India) Limited, Bankers, various departments of Central and the State Government and other authorities for their valuable and continued co-operation & support to the Company. The Board places on record its appreciation to the team work, commitment and unstinting efforts of the employees of all levels for the successful operations of the Company's Fertilizer Plant at Kanpur.

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place : New Delhi
Date : 23rd May, 2020

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE-I

NOMINATION AND REMUNERATION POLICY

A. Policy for selection of Directors and determining Directors' Independence

1. Introduction

1.1 Kanpur Fertilizers & Chemicals Limited (KFCL) [formerly known as Kanpur Fertilizers & Cement Limited] believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, KFCL ensures constitution of Board of Directors with an appropriate composition, size, diversified expertise, experience and commitment to discharge their responsibilities and duties effectively.

1.2 KFCL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. KFCL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of a company.

3.2 "Nomination and Remuneration Committee" means the committee constituted by KFCL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy

4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required from the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

4.1.2 In evaluating the suitability of individual Board members, the NRC may take into account factors such as: General understanding of the Company's business dynamics and social perspective; Educational and professional background standing in the profession; Personal and professional ethics, integrity and values; Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NRC shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

   (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor by any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the company.

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships/committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

B. Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

Kanpur Fertilizers & Chemicals Limited (KFCL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the Objectives of ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **"Director"** means a director appointed to the Board of the Company.

3.2 **"Key Managerial Personnel" means**

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the Company Secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

3.3 **"Nomination and Remuneration Committee"** means the committee constituted by KFCL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel.

4.1.1 The Board, on the recommendation of the Nomination and remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the NRC shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Retirement benefits

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NRC and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

4.2.1 The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

4.3 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ANNEXURE-II

A statement containing details of Corporate Social Responsibility expenditure incurred by the Company during the Financial Year 2019-20 is placed below:

Amount in Rs. Lakhs

1.	Average Net profits of the Company for the last three Financial Years	:	Rs. 2,504.00
2.	Prescribed CSR expenditure of the average Net profits	:	Rs. 50.00
3.	Amount spent towards CSR during the Financial Year	:	Rs. 50.12
4.	Amount unspent, if any	:	NIL
5.	Manner in which the amount spent during the Financial Year is detailed below:		

(1) S. No.	(2) CSR Project/ activity	(3) Sector in which the project is covered	(4) Projects or programs (1) local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs-wise (Amount in Rs. Lakhs)	(6) Amount spent on the projects or program sub-heads: (1) Direct expenditure on projects or program (2) Over- heads	(7) Cumulative expenditure up to the reporting period (on Project/ Activity) (Amount in Rs. Lakhs)	(8) Amount spent Direct / through implementing agency
1	Celebrating Indian Art, Music , Theater etc.	Promotion of Art and Culture	Kanpur Literature Society, Kanpur (U.P.)	3.00	Amount spent on promotion of Art and Culture	3.00	Direct
2	Restoration of outside drain	Sanitation facilities	Kanpur (U.P.)	5.77	Amount spent on Sanitation Services	5.77	Direct
3	Promoting education	Education	Villages at Uttar Pradesh	33.30	Amount spent on promoting Education	33.30	* Through Implementing Agency
4	Distribution of sweat shirts to poor people in winters	Preventive Healthcare	Kanpur (U.P.)	8.05	Amount spent on preventive Healthcare	8.05	Direct
			Total	**50.12**		**50.12**	

* Implementing agency – Jaiprakash Sewa Sansthan (JSS)

JSS is a not-for-profit trust established by the Jaypee Group (registered under Income Tax Act, 1961) and its motto is "Growth with the human face" with the objective of social-economic development, reducing the pain and distress in Society.

6. In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall specify the reason for not spending the amount (and unless the unspent amount relates to any ongoing project undertaken by the Company in pursuance of its CSR Policy, shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of Financial Year) – Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the Company :

   a) The CSR Committee of the Company confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

   b) That the expenditure has been audited by the Statutory Auditors of the Company, utilized for CSR activities as per the CSR Policy and as per schedule-VII to the Companies Act, 2013.

For and on behalf of the Board of Directors

K.V. RAJENDRAN
(Chairman, CSR Committee)
(DIN: 02468551)

MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place: New Delhi
Date: 23rd May, 2020

ANNEXURE -III

FORM NO. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts/arrangements/transactions with related parties during the financial year 2019-20, which were not at arms' length basis

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

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No	Particulars	Details
a	Name(s) of the related party and nature of relationship	N.A.
b	Nature of contracts/arrangements/transactions	N.A.
c	Duration of the contracts / arrangements/transactions	N.A.
d	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
e	Date(s) of approval by the Board	N.A.
f	Amount paid as advances, if any	N.A.

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place : New Delhi
Date : 23rd May, 2020

ANNEXURE – IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

TO
THE MEMBERS
KANPUR FERTILIZERS & CHEMICALS LIMITED
(formerly Kanpur Fertilizers & Cement Limited)
SECTOR-128, NOIDA-201304
Distt. Gautam Budh Nagar, U.P.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S KANPUR FERTILIZERS & CHEMICALS LIMITED** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my/our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed,and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not applicable to the Company during the Audit Period)**

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings; **(Not applicable to the Company during the Audit Period)**

(v) The Securities and Exchange Board of India Act, 1992 and Rules and Regulations prescribed under the said Act. **(Not applicable to the Company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by The Institute of Company Secretaries of India;

(b) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the audit period)**

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

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

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that the Company has changed its name to **"KANPUR FERTILIZERS AND CHEMICALS LIMITED"** during the Audit period.

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

For SGS ASSOCIATES
Company Secretaries
D.P. Gupta
Membership Number FCS 2411
Certificate of Practice No. 1509

Date: 23rd May 2020
Place : New Delhi

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

Annexure - A

To,
The Members
KANPUR FERTILIZERS & CHEMICALS LIMITED
(formerly Kanpur Fertilizers & Cement Limited)
Sector-128, Noida – 201304
Distt. Gautam Budh Nagar, Uttar Pradesh

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SGS ASSOCIATES
Company Secretaries

D.P. Gupta
Membership Number FCS 2411
Certificate of Practice No. 1509

Date: 23rd May 2020
Place : New Delhi

ANNEXURE - V

(A) CONSERVATION OF ENERGY

Following steps were taken during the Financial Year 2019-20 on Conservation of energy

1) Ammonia Plant

S. No.	Steps taken	Impact on conservation of energy
1.	Recovery of hot condensate in Ammonia Plant	The Condensate (6 M3/hr), which was being used to cooldown the inlet gas to LT catalyst has been recovered and sent to deaerator.
2.	Modification of Relief valve at the top of CO2 regenerator 2	This has plugged the loss of CO2 from the valve which was possible to do only in annual turn around because of more time required for maintenance.
3.	Replacement of High temp catalyst in Ammonia 3	The Differential Pressure across the HT catayst has come down from 2.1 to 0.2 Kg/cm2, resulting power saving by 155KW in 2 compressor
4.	Replacement of Primary Reformer Leaky plugged tubes and its catalyst in Ammonia 3	The Differential Pressure after replacement of leaky tubes along with new catalyst in these 14 tubes has reduced from 0.86kg/cm2 to 0.5kg/cm3 resulting power saving by 30KW in 2 compressors excluding the savings achieved because of plugging of leaked gas going towards the furnace through the nipped tubes.
5.	Screening of catalyst in Secondary reformer	The Pressure Drop has reduced by 0.18 Kg/cm2 thus saving in power in Syn gas compressor.

2) Urea Plant

1.	Condensate Catchpot with level control at melter exit	One condensate Pot has been provided at the exit of Melter in Urea A to reduce the prill temp, thereby reducing steam consumption.
2	Provision of XP Valves In CO2 Compressors in Urea A	The valves of CO2 compressor A has been replaced with XP valves (with better MOC) to improve the reliability and power saving.

3) CPP

1.	Variable Frequency Drive (VFD) in Cooling Water (CW) Pump in Captive Power Plant (CPP)	After the installation of AFBC boiler, the cooling water requirement had reduced. One VFD has been provided . The power requirement by 32 KW.
2.	Providing Bypass line across the polishing Unit of Captive Power Plant (CPP).	After modification, BFW at a temp. of 145 C is directly going to saturator which was ealier going at 125 C. Thus saving of energy by 0.0186 Mkcal/Mt of urea achieved (including power of 247 KW and coal)

4) Offsite

1.	Revamping of Cooling Tower Cells of Urea plant	The cooling tower cells in old Urea plants have been revamped, resulting improvement in performance

B) DETAILS OF FOREIGN EXCHANGE OUTFLOW

Sl. No.	Particulars	2019-20 (Rs. in lakhs)	2018-19 (Rs. in lakhs)
a)	Trading purchasing spares	177	1139
b)	Travelling	–	5

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place: New Delhi
Date: 23rd May 2020

ANNEXURE-VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U24233UP2010PLC040828
ii	Registration Date	31.05.2010
iii	Name of the Company	Kanpur Fertilizers & Chemicals Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details"	Sector 128, Noida, Uttar Pradesh-201304.
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited Regd. Office: 205-208 Anarkali Complex, Jhandewalan Extn., New Delhi-110055 Tel:. 91-11-42541234, 23541234 Fax : 91-11-23552001, E-mail:info@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product/service	% age to total turnover of the Company
1.	To carry on the business of manufacture, import, sell, distribute, deal, agents, merchants and prepare of all classes and kinds of fertilizers and urea and all classes and kinds of chemicals required in the manufacture of any kind of fertilizers and chemicals and to carry on any operation or processes of mixing granulating different chemicals and fertilizers.	20121	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Jaypee Uttar Bharat Vikas Pvt. Ltd. Sector-128, District Gautam Budh Nagar, Noida-201304	U24233UP2010PTC040827	Holding	68.74%*	2(46)

* Percentage of Shares based on exercise of controls more that one half of the total voting power of the Company.

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF*	0	50000	**50000**	**0.02**	0	50,000	**50000**	**0.02**	0
"b) Central Govt.or State Govt."	0	0	**0**	**0.00**	0	0	**0**	**0**	0
c) Bodies Corporates	265482549	0	**265482549**	**91.24**	265482549	0	**265482549**	**91.24**	0
d) Bank/FI	0	0	**0**	**0.00**	0	0	**0**	**0**	0
e) Any other(specify)- Trusts -Wherein Company is Beneficiary*	0	0	**0**	**0.00**	0	0	**0**	**0**	0
Sub Total:-(A) (1)	**265482549**	**50000**	**265532549**	**91.26**	**265482549**	**50000**	**265532549**	**91.26**	**0**
(2) Foreign									
a) NRI- Individuals	0	0	**0**	**0.00**	0	0	**0**	**0**	0

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other Individuals	0	0	**0**	0.00	0	0	**0**	**0**	0
c) Bodies Corp.	0	0	**0**	0.00	0	0	**0**	**0**	0
d) Banks/FI	0	0	**0**	0.00	0	0	**0**	**0**	0
e) Any other…	0	0	**0**	0.00	0	0	**0**	**0**	0
Sub Total:-(A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**265482549**	**50000**	**265532549**	**91.26**	**265482549**	**50000**	**265532549**	**91.26**	**0**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	**0**	0.00	0	0	**0**	**0**	0
b) Banks/FI	13712	5500	**19212**	0.01	7411	5500	**12911**	**0.01**	0
C) Central govt	0	0	**0**	0.00	0	0	**0**	**0**	0
d) State Govt.	0	0	**0**	0.00	0	0	**0**	**0**	0
e) Venture Capital Fund	0	0	**0**	0.00	0	0	**0**	**0**	0
f) Insurance Companies	0	0	**0**	0.00	0	0	**0**	**0**	0
g) FIIS	0	0	**0**	0.00	0	0	**0**	**0**	0
h) Foreign Venture Capital Funds	0	0	**0**	0.00	0	0	**0**	**0**	0
i) Others (specify)	0	0	**0**	0.00	0	0	**0**	**0**	0
Sub Total:-(B)(1):	**13712**	**5500**	**19212**	**0.01**	**7411**	**5500**	**12911**	**0.01**	**0**
(2) Non Institutions									
a) Bodies corporates	0	0	**0**	0.00	0	0	**0**	**0.00**	0
i) Indian	25275892	27410	**25303302**	8.70	25276359	27410	**25303769**	**10.95**	0
ii) Overseas	0	0	**0**	0.00	0	0	**0**	**0.00**	0
b) Individuals	0	0	**0**	0.00	0	0	**0**	**0.00**	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	98747	1020	**99767**	0.03	105940	1020	**86960**	**0.04**	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	**0**	0.00	0	0	**0**	**0.00**	0
c) Others (specify)	0	0	**0**	0.00	0	0	**0**	**0.00**	0
i) Non residents Indians	1359	0	**1359**	0.00	0	0	**0**	**0.00**	0
ii) Trusts	931	105	**1036**	0.00	931	105	**1036**	**0.00**	0
iii) OCB									
iv) Foreign Body Corporate									
Sub Total:-(B)(2):	**25376929**	**28535**	**25405464**	**8.73**	**25383230**	**28,535**	**25391765**	**8.73**	
Total Public Shareholding (B)= (B)(1)+(B)(2)	**25390641**	**34035**	**25424676**	**8.73**	**25390641**	**34035**	**25404676**	**8.74**	
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**290873190**	**84035**	**290957225**	**100.00**	**290873190**	**84035**	**290937225**	**100**	**0.00**

* Beneficial owner is Jaypee Uttar Bharat Vikas Private Limited

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2019			Shareholding at the end of the year i.e. 31.03.2020			% change in share holding during the year
		No. of shares	"% of total shares of the company"	"% of shares pledged/ encumbered to total shares"	No. of shares	"% of total shares of the company"	"% of shares pledged/ encumbered to total shares"	
	A. Body Corporate							
1	Jaypee Uttar Bharat Vikas Private Limited	200,000,000	68.74	-	200,000,000	68.74	-	0
2	Jaypee Fertilizers & Industries Limited	65482549	22.51		65482549	22.51		0
	B. Individuals							
1	Shri Manoj Gaur*	8,000	0.00	-	8,000	0.00	-	0
2	Shri Suren Jain*	7,000	0.00	-	7,000	0.00	-	0
3	Shri Sameer Gaur*	7,000	0.00	-	7,000	0.00	-	0
4	Shri S.D. Nailwal*	7,000	0.00	-	7,000	0.00	-	0
5	Shri Harish K. Vaid*	7,000	0.00	-	7,000	0.00	-	0
6	Shri Raj Sunder Kuchhal*	7,000	0.00	-	7,000	0.00	-	0
7	Shri Manmohan Sibbal*	7,000	0.00	-	7,000	0.00	-	0
	Sub-Total (B)	**50,000**	**0.02**		**50,000**	**0.02**		
	Total(A+B)	**265,532,549**	**91.26**		**265,532,549**	**91.26**		**0**

* Beneficial Owner of these shares is Jaypee Uttar Bharat Vikas Private Limited

(iii) Change in Promoters' Shareholding (Specify, if there is no change)

Sl. No.		Share holding at the beginning of the Year i.e. 01.04.2019			Increase/ Decrease in Shareholding	Reason	Cumulative Share holding during the year (2019-20)	
		No. of shares	% of total shares of the Company	Date			No. of shares	% of total shares of the company
	A. Body Corporate							
Not Change								
	B. Individuals							
Not Change								

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	Top 10 Shareholders	Shareholding at the beginning of the year i.e. 01.04.2019		Cumulative Shareholding during the year (2019-20)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mahabhadra Construction Limited (Formerly Jaypee Development Corporation Limited	25,000,000	10.82	25,000,000	10.82
2	ISG Traders Limited	198,720	0.09	198,720	0.09
3	NRC Limited	35,903	0.02	35,903	0.02
4	Sewand Investments Limited	25,742	0.01	25,742	0.01
5	Golconda Investments Limited	20,000	0.01	20,000	0.00
6	Life Insurance corporation of India	13,479	0.01	13,479	0.01
7	Hitesh Ramji Javeri	6,750	0	6,750	0.00
8	Swaran Financial Private Limited	4,551	0	3,606	0.00
9	Andhra Bank	4,500	0	4,500	0.00
10	Gouri Prasad Goenka	4,048	0	3,548	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year i.e 01.04.2019		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year i.e 2018-19	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri Manoj Gaur # Chairman & Director	8,000	0.00	-	-	No Movement	8,000	0.00
2	Shri A.K. Jain Vice-Chairman & CEO	Nil	0.00	-	-	-	Nil	0.00
3	Shri Sunny Gaur Director	Nil	0.00	-	-	-	Nil	0.00
4	Shri S.D. M. Nagpal $ Director	Nil	0.00	-	-	-	Nil	0.00
5	Shri R.K. Pandey Director	Nil	0.00	-	-	-	Nil	0.00
6	Shri Sunil Joshi $$ Director	Nil	0.00	-	-	-	Nil	0.00
7	Shri S.D. Nailwal # Director	7000	0.00	-	-	No Movement	7000	0.00
8	Shri S.C.K. Patne Director	Nil	0.00	-	-	-	Nil	0.00
9	Shri K.C. Ganjwal $$$ Director	Nil	0.00	-	-	-	Nil	0.00
10	Ms .Sunita Joshi Director	Nil	0.00	-	-	-	Nil	0.00
11	Shri Sudhir Rana Chief Financial Officer	Nil	0.00	-	-	-	Nil	0.00
12	Suman Lata Company Secretary	Nil	0.00	-	-	-	Nil	0.00

Beneficial interest is with Jaypee Uttar Bharat Vikas Private Limited

$ Ceased to be Director w.e.f. 27th January, 2020

$$ Ceased to be Director w.e.f. 18th March, 2020

$$$ Ceased to be Director w.e.f. 27th March, 2020

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(In Rs. Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year i.e. 01.04.2019				
i) Principal Amount	75,877	-	-	75,877
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**75,877**	**-**	**-**	**75,877**
Change in Indebtedness during the financial year (2019-20)				
Additions	973	-	-	973
Reduction	2,130	-	-	2,130
Net Change	**(1,157)**	**-**	**-**	**(1,157)**
Indebtedness at the end of the financial year i.e. 31.03.2020				
i) Principal Amount	74,720	-	-	74,720
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**74,720**	**-**	**-**	**74,720**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time director and/or Manager : (Amt. in Rs.)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		
		Shri A.K. Jain (Vice- Chairman & CEO)	Shri Gaurav Jain (Whole Time Director)	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	7,392,000	8,544,000	15,936,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,155,000	1,211,479	2,366,479
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**8,547,000**	**9,755,479**	**18,302,479**
	Ceiling is Rs. 1.20 cr for each director (In terms of Schedule V of the Companies Act, 2013			

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors									
		Shri S.C.K. Patne	Shri K.C. Ganjwal	Shri S. D Nailwal	Shri Sunny Gaur	Shri Sunil Joshi	Ms Sunita Joshi	Shri Manoj Gaur	Shri S.D. M Nagpal	Shri R.K. Pandey	Total
1	(a) Fee for attending Board/ Committee Meetings by Independent Directors	330000	310000	–	–	–	–	–	–	–	640000
	(b) Commission	–	–	–	–	–	–	–	–	–	–
	(c) Others, please specify										
	Total (1)	**330000**	**310000**	–	–	–	–	–	–	–	**640000**
2	(a) Fee for attending Board/Committee Meetings by Non Executive Directors	–	–	195000	50000	170000	190000	170000	140000	265000	1180000
	(b) Commission	–	–	–	–	–	–	–	–	–	–
	(c) Others, please specify	–	–	–	–	–	–	–	–	–	–
	Total (2)	–	–	**195000**	**50000**	**170000**	**190000**	**170000**	**140000**	**265000**	**1180000**
	Total (B)=(1+2)*	**330000**	**310000**	**195000**	**50000**	**170000**	**190000**	**170000**	**140000**	**265000**	**1820000**
	Total Managerial Remuneration (A+B)										**20,122,479**
	Overall Ceiling as per the Act.*	**Rs. 1,00,000 can be paid to each director per meeting.**									

* Total Remuneration to Managing Director, and other Directors (being total A+B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key managerial Personnel		
		Shri Sudhir Rana (CFO)	Ms. Suman Lata (CS)	Total
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,698,000	2,209,700	5,907,700
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32,400	32,400	64,800
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
		-	-	-
	Total	**3,730,400**	**2,242,100**	**5,972,500**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place: New Delhi
Date: 23rd May, 2020

ANNEXURE - VII

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A) Name of top ten employees in terms of remuneration drawn during the Financial Year 2019-20:

(Amount in Rs.)

S. No.	Name	Designation	Remuneration	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment	Equity Shares held in the Company
1	Shri Gaurav Jain	Whole-time Director	10,396,279	MBA	15	05.05.2017	41	Jaypee Infratech Ltd.	NIL
2	Shri A.K Jain	V C & CEO	9,101,400	B.E.(Chemical)	47	25.05.2015	70	Jaiprakash Associates Ltd.	NIL
3	Shri Sudhir Rana	CFO	3,874,400	B.Com C.A.	33	01.11.2014	57	Sangam Power Genertion Company Ltd.	NIL
4	Shri Ganesh Mohan Tandon	Sr. Vice President	3,294,750	B. Tech	40	14.02.2017	65	Jaiprakash Associates Ltd.	NIL
5	Shri Ashok Kumar Shrivastava	Sr. Vice President	2,667,040	B.E., PGDM	40	03.02.2016	67	Jaiprakash Associates Ltd.	NIL
6	Shri Pankaj Shah	AGM	2,554,823	PG. DIP. In PM & IR	27	28.05.2012	52	Birla Tyres	NIL
7	Shri Shashank Jain	CGM	2,502,405	B. Tech	25	01.11.2015	50	Jaiprakash Associates Ltd.	NIL
8	Smt. Suman Lata	Genral Manager & CS	2,327,060	L.L.B C.S.	26	01.06.2017	50	Jaypee Infratech Ltd.	NIL
9	Shri Rakesh Kumar Singh	DGM	2,432,865	DIP. In Material Mgt.	29	24.04.2017	53	Arabian Cement	NIL
10	Shri Ashwani Omar	DGM	2,294,770	B. Tech	15	19.06.2014	39	Jaiprakash Power Ventures Ltd.	NIL

B) Name of the employees working thorughout the Financial Year 2019-20 and in receipt of remuneration not less than Rs. 1,02,00,000/- per annum and working for part of the Financial Year 2019-20 and in receipt of remuneration not less than Rs. 8,50,000/- per month.

--------------Nil-------------

NOTES:

1. Gross remuneration includes Salary, H.R.A., Employer's Contribution to Provident Fund and other perks like Medical Reimbursement, Leave Travel Assistance, Furnishing Allowance, Gratuity and Leave Encashment etc.
2 Information about qualifications and last employment is based on particulars furnished by the concerned employee.
3 None of the whole-time directors either by themselves or along with their spouse and dependent children holds two percent or more of the equity shares of the Company.
4 The nature of employment of employees is regular and is governed as per service rules of the Company. They perform such managerial duties in their respective area of expertise as assigned from time to time.
5 The other terms & conditions of each of the above persons are as per the contract/letter of appointment/resolution and rules of the Company.

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place: New Delhi
Date: 23rd May, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Kanpur Fertilizers & Chemicals Ltd.
Report on the Standalone Financial Statements

Unmodified Opinion

We have audited the accompanying Standalone financial statements of Kanpur Fertilizers & Chemicals Ltd (Formerly known as Kanpur Fertilizers & Cement Ltd) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Other Matter

Covid 19 spread across the country since March, 2020 restricted our physical movement to company's offices at different locations and thereby required us to use alternative audit procedure from remote location. We were provided the access to the books of accounts via electronic medium (SAP module) from a remote location. Further, required documents/information was sought on mails to vouch the authenticity of the transactions of the company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Refer to Notes 35 to the Financial statements relating to Default in repayment of principle amount and interest on Term Loans** The company has defaulted in repayment of Principle of Rs. 25.30 crore & interest of Rs. 6.96 crore due against Term Loan from Yes Bank Limited and Principle of Rs. 1.67 crore and interest of Rs. 0.16 crore due against SREI Equipment Finance Limited. The Loan of Yes Bank Limited has been reported NPA by the bank. Same is considered to be a Key Audit Matter as default in repayment of installment leads to increase in liquidity risk and challenges in arranging sufficient finances after taking into account the Subsidy receivable as stated in Sr. No. 2 below.	**We performed the following principal audit procedures in relation to the said Key Audit Matter:** 1. Reviewed the Term Loan repayment schedule provided by the company. 2. Obtained the balance confirmation from the Banks/Financial Institutions to confirm the balance of outstanding term loan and interest thereon. 3. Based on our audit procedures performed and discussion with the Management, examined the possibility of Loan restructuring with the lenders to ease the liquidity pressure in the period going ahead. Reportedly, Yes Bank Limited is exploring the possibility of restructuring in consultation with consortium lenders.
2	**Subsidy Receivable from Government and assessment of recovery of the amount due on account of Subsidy** During the FY 2019-20, company recognized subsidy of Rs. 2040 crores and the subsidy due from Government of India at the end of FY stood at Rs. 1317 crores. Amount due on account of Subsidy forms significant amount as the Current Assets as on 31st March, 2020 stood at Rs. 1564 crores. Given the size of amount due on account of subsidy ,the evaluation of fair value of subsidy receivable and its recovery involves assessment of the management in terms of time frame of recovery from FICC and thus requires significant audit attentions and forms a Key Audit Matter.	**Our procedures included the following:** 1. Understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivables. 2. Reviewed the Company's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 2, Statement of Significant Accounting policies" in conformity with the provision of Ind AS on Government Grants. 3. Assessment of the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable.

S. No.	Key Audit Matters	How the matter was addressed in our audit
		4. We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognized pursuant to changes in subsidy rates/escalation or de-escalation in subsidy rates. 5. Reviewed and tested the ageing of the related receivables and assessed the information used by the management to determine the recoverability of subsidy receivable by considering historical collection trends and the level of credit loss charged over time.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Companies Act 2013, auditor are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.

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

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

e. Evaluate the overall presentation, structure and content of the 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 control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

For **RAVI RAJAN & CO. LLP**
Chartered Accountants (Firm's Registration No. 009073N/N500320)
Place:New Delhi,
Date: 23rd May, 2020

Jayanth. A
Partner (Membership No.231549)

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Financial Statements for the year ended 31 March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a policy to verify its fixed assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.The physical verification of the Fixed Assets was due for the FY 2019-20 and was performed on 31st December, 2019.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable Properties are deemed held in the name of company in terms of Para 4 and Para 5, Para II of Annexure A of approved Scheme of BIFR.

(ii) In respect of inventory:

(a) As explained to us the inventory of the company has been physically verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and as per information and explanation provided to us, the procedure of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii.) According to the information and explanations given to us, the Company has not granted unsecured loans covered in the register maintained under section 189 of the Companies Act, 2013.

(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 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The company has not granted any loans, or provided securities.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, reporting under clause (v) of CARO 2016 is not applicable to the Company.

(vi.) The maintenance of cost records has been specified by the Central Government under section 148(1) of the companies Act 2013. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete but we have relied upon the report submitted by the cost auditor for the FY 2019-20.

(vii.) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities(a) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Name of the Statute	Nature of dues	Amount of Demand (in Lakhs)#	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Penalty	35.45	2012-13	ITAT
Income Tax Act, 1961	Income Tax and Penalty	292.00	2013-14	ITAT (for Income Tax) Penalty (CIT Appeals)

It is net of the amount deposited against respective demands.

(viii) On the basis of the audit procedure performed by us and based on the information and explanations given to us and as per the books and records examined by us, the company has delays in repayment of dues including interest to Bank/Financial Institution. The default which have remained outstanding at the year-end tabulated.

Particulars	As At	Period of Delay					Total (Rs.)
		1-31 Days	32-60 Days	61-90 Days	91-180 Days	Above 180 Days	
Against Principal Amount*							
Yes Bank Ltd	March 31, 2020	-	-	-	91,666,667	161,292,683	252,959,350
SREI Equipments Financial Ltd-30 CR	March 31, 2020	-	9,488,236	7,231,068	-	-	16,719,305
Particulars	**As At**	**Period of Delay**					**Total**
		1-31 Days	**32-60 Days**	**61-90 Days**	**91-180 Days**	**Above 180 Days**	
Against Interest Amount*							
Yes Bank Ltd	March 31, 2020	6,423,698	6,866,712	-	22,593,697	33,718,263	69,602,370
SREI Equipments Financial Ltd-30 CR	March 31, 2020	-	765,811	852,009	-	-	1,617,820

Note 1* The above stated period of delay in repayment on Loan and interest is arrived at after availing the benefit of moratorium of three months on payment of all instalments falling due between March 1st, 2020 and May 31st, 2020 videNotification NO. BP.BC.47/21.04.048/2019-20 dated March 27th, 2020.

Note 2* The above overdue amount of principle and interest default persisted on 31st March, 2020.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, term loan were applied for the purpose for which the loans were obtained.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind AS financial statement as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAVI RAJAN & CO. LLP**

Chartered Accountants

(Firm Registration No. 009073N/N500320)

Jayanth. A

Partner (Membership No. 231549)

New Delhi, 23rd May, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanpur Fertilizers & Cement Ltd of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Kanpur Fertilizers & Chemicals Ltd.** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAVI RAJAN & CO. LLP**
Chartered Accountants (Firm Registration No.009073N/N500320)
Delhi, 23rd May, 2020
Jayanth. A
Partner (Membership No.231549)

BALANCE SHEET AS ON 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Note No	As on 31st March,2020	As on 31st March,2019
Assets			
Non Current Assets			
Property, Plant and Equipment	4	81,745	89,969
Capital Work in Progress		70	70
Financial Assets			
Other Financial Assets	5	40	4,575
Other Non Current Assets	6	7	8
		81,862	**94,622**
Current Assets			
Inventories	7	6,766	10,026
Financial Assets			
Trade Receivable	8	133,210	99,168
Cash and Cash Equivalents	9	1,395	631
Bank Balance other than above	10	966	269
Other Financial Assets	11	6,454	10,077
Current Tax Assets (Net)	12	3,589	3,508
Other Current Assets	13	4,013	3,833
		156,393	127,512
		238,255	**222,134**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	29,096	29,096
Other Equity	15	53,492	53,409
		82,588	**82,505**
Non Current Liabilities			
Financial Liabilities			
Borrowing	16	11,627	18,816
Other Financial Liabilities	17	1,147	1,195
Provisions	18	386	375
Deferred Tax Liabilities (Net)	19	4,056	3,923
		17,216	**24,309**
Current Liabilities			
Financial Liabilities			
Borrowings	20	52,365	51,392
Trade payables	21		
Total outstanding dues of creditors other than MSME		58,718	51,929
Total outstanding dues of MSME		961	213
Other Financial Liabilities	22	25,265	10,652
Other Current Liabilities	23	984	950
Provisions	24	115	87
Current Tax Liabilities(Net)	25	43	97
		138,451	115,320
Total		**238,255**	**222,134**

Note: Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

Summary of Significant Accounting Policies &
Notes to the Financial Statements **“1” to “35”**

For Ravi Rajan & Company LLP
Chartered Accountants
Registration No. 009073N/N500320

For and on behalf of the Board

(Jayanth. A)
Partner
M. No. 231549

Manoj Gaur
Chairman
(DIN : 00008480)

Place: New Delhi
Dated : 23.05.2020

Suman Lata
Company Secretary
FCS-4394

Sudhir Rana
Chief Financial Officer

A.K. JAIN
Vice Chairman & CEO
(DIN: 01731920)

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Note No	Quarter Ended 31.03.2020 (Audited)	Quarter Ended 31.03.2019 (Unaudited)	Quarter Ended 31.12.2019 (Subject to LR)	Year Ended 31.03.2020 (Audited)	Year Ended 31.03.2019 (Audited)
Revenue From Operations	26	62,977	59,714	60,900	247,688	246,734
Other Income	27	42	212	87	304	1,004
Total Income		**63,019**	**59,926**	**60,987**	**247,992**	**247,738**
Expenses						
Cost of Materials Consumed	28	49,127	49,842	50,723	204,686	201,745
Purchases of Stock-in-Trade	29	57	144	2,247	3,283	2,817
Changes in Inventories of Finished Goods & Work-in-Progress	30	266	(2,009)	591	2,939	6,790
Employee Benefits Expense	31	1,250	1,499	1,300	5,053	5,401
Finance costs	32	3,746	2,772	2,563	11,858	11,593
Depreciation and amortization Expense	33	1,822	1,825	1,862	7,393	7,403
Other expenses	34	3,005	3,063	2,625	11,703	11,641
Total Expenses		**59,273**	**57,136**	**61,911**	**246,915**	**247,390**
Profit Before Exceptional Items and Tax		3,746	2,790	(924)	1,077	348
Exceptional Items (Loss on Sale of Fixed Assets)		**858**	**8**	**0**	**855**	**8**
Profit Before Tax		**2,888**	**2,782**	**(924)**	**222**	**340**
Tax Expense:						
(1) Current Tax		43	-	-	43	97
(2) Mat Credit Entitlement		(43)	-	-	(43)	(97)
(3) Deferred Tax (Assets)/Liability		1,215	-	(47)	135	108
Total Tax Expenses		**1,215**	**-**	**(47)**	**135**	**108**
Profit/(Loss) for the Period		**1,673**	**2,782**	**(877)**	**87**	**232**
Other Comprehensive Income						
Items that Will Not be Reclassified to Profit or Loss						
Remeasurements of the Defined Benefit Plans		(6)	-	-	(6)	(4)
Income Tax		2	-	-	2	1
Total Other Comprehensive Income		**(4)**	**-**	**-**	**(4)**	**(3)**
Total Comprehensive Income for the Period		**1,669**	**2,782**	**(877)**	**83**	**229**
Paid Up Equity Share Capital (Rs. In Cr.)		291	291	291	291	291
Face Value per share		10	10	10	10	10
Earnings per Equity Share						
(1) Basic		0.58	1.16	(0.30)	0.03	0.10
(2) Diluted		0.47	0.79	(0.25)	0.02	0.07
Summary of Significant Accounting Policies & Notes to the Financial Statements	**"1" to "35"**					

For Ravi Rajan & Company LLP
Chartered Accountants
Registration No. 009073N/N500320

For and on behalf of the Board

(Jayanth. A)
Partner
M. No. 231549

Manoj Gaur
Chairman
(DIN : 00008480)

Place: New Delhi
Dated : 23.05.2020

Suman Lata
Company Secretary
FCS-4394

Sudhir Rana
Chief Financial Officer

A.K. JAIN
Vice Chairman & CEO
(DIN: 01731920)

Statement of Changes in Equity For The Year Ended 31st March, 2020

Equity

Particulars

a. Equity share capital	(₹ in Lakhs)
Balance as at 31st March 2019	29,096
Equity Share Issued During the Year	–
Balance as at 31st March, 2020	29,096

Other Equity (₹ in Lakhs)

Particular	Equity Component of Compulsory Convertible Preference Share Including Security Premium	Security Premium	Retained Earnings	Remeasurements of the Defined Benefit Plans	Total
Balance as at 31st March, 2019	6,150	42,383	4,701	175	53,409
Profit For the Year	-	-	87	-	87
Remeasurement of Defined Benefit	-	-	-	(4)	(4)
Balance as at 31st March, 2020	**6,150**	**42,383**	**4,788**	**171**	**53,492**

Summary of Significant Accounting Policies &
Notes to the Financial Statements **“1” to “35”**

FFor Ravi Rajan & Company LLP
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Chief Financial Officer

A.K. JAIN
Vice Chairman & CEO
(DIN: 01731920)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

	Cash Flow Statement		2019-20	2018-19
A	**Cash Flows From Operating Activities**			
	Profit For the Year		222	340
	Adjustments For:			
	- Depreciation		7,393	7,403
	- Interest and Finance Charges		11,858	11,593
	- Loss on Fixed Assets Sold / Discarded		855	8
	- Unrealised foreign exchange loss / (gain) net		15	50
	- Interest Income on Fixed Deposits		(199)	(885)
	- Interest on Income Tax		-	101
	- Remeasurement of Acturial Gain/Loss		-	(4)
	Operating Profit Before Working Capital Changes		20,144	18,606
	Adjustments for :			
	- (Increase) / Decrease in Inventories		3,261	6,117
	- (Increase) / Decrease in Trade Receivables		(34,042)	(20,833)
	- (Increase) / Decrease in Other Financial Assets		8,212	(3,269)
	- (Increase) / Decrease in Other Current Assets		(179)	147
	- Increase / (Decrease) in Trade Payables		7,522	13,461
	- Increase / (Decrease) in Other Current Liabilities		33	(278)
	- Increase / (Decrease) in Other Financial Liabilities and Provision		9,538	3,181
	- Change in Other Non Current Assets		1	(7)
	Cash Generated From Operations		14,490	17,125
	- Income Tax Refund/ (Paid)		(135)	(1,018)
	Net Cash Flow Generated From Operating Activities		**14,355**	**16,107**
B	**Cash Flow From Investing Activities**			
	- Additions To PPE And Intangible Assets (Including Net Movement In CWIP)		(91)	(252)
	- Proceeds From Sale of Assets		65	-
	- Interest Received		146	979
	- Investment In Fixed Deposit		(697)	2,012
	Net Cash Flows (Used In) Investing Activities		**(577)**	**2,739**
C	**Cash Flow From Financing Activities**			
	- Proceeds/(Repayments) of Long Term Borrowings		(2,129)	(14,329)
	- (Repayments Of) / Proceeds From Short Term Borrowings (Net)		973	5,504
	- Interest And Finance Charges Paid		(11,858)	(11,582)
	Net Cash Flows (Used In)/ Generated From Financing Activities		**(13,014)**	**(20,407)**
	Net Change In Cash and Cash Equivalents (A+B+C)		764	(1,561)
	Cash And Cash Equivalents- Opening Balance		631	2,192
	Cash And Cash Equivalents- Closing Balance		**1,395**	**631**
	Notes To Cash Flow Statement:			
	Cash And Cash Equivalents Include :			
	Cash on Hand		4	4
	Balances with Banks:		1,391	627
	Cash And Cash Equivalents At The End Of The Year [Refer Note No 9]		**1,395**	**631**
	Summary of Significant Accounting Policies &			
	Notes to the Financial Statements	"1" to "35"		

For Ravi Rajan & Company LLP
Chartered Accountants
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For and on behalf of the Board

(Jayanth. A)
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Manoj Gaur
Chairman
(DIN : 00008480)

Place: New Delhi
Dated : 23.05.2020

Suman Lata
Company Secretary
FCS-4394

Sudhir Rana
Chief Financial Officer

A.K. JAIN
Vice Chairman & CEO
(DIN: 01731920)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2020

Note No."1" Nature of Operations

Kanpur Fertilizers & Cement Limited (KFCL) was incorporated on 31st May 2010. The Company was formed with one of its objectives to undertake the business in manufacturing, selling and trading of fertilizers and related activities. The Company is subsidiary of Jaypee Uttar Bharat Vikas Private Limited (JUBVPL). The name of the Company was changed to Kanpur Fertilizers & Chemicals Limited w.e.f. 09th December, 2019.

The Company has 7,22,700 MT / Per Annum Urea manufacturing plant on approximately 243 Acres of land at Panki Industrial Area, Kanpur, U.P. The plant restarted commercial operations after revamp, changeover from Naphtha to Natural Gas (NG) as feed stock and certain Energy Savings Measures with effect from June 1, 2014.

Note No."2" Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

Note No."3" Basis of preparation

A. The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III of the Companies Act 2013, amended from time to time applicable to companies to whom IND AS applies read with the IND AS's.

These standalone financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

B. Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) up to the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Assets	Useful Lives
Building	30 Years
Plant and Machinery	15 years
Vehicle	4 - 8 years
Office equipment	5 years
Furniture and fittings	10 years

Individual assets acquired for Rs. 5000/- or less are depreciated fully in the year of acquisition.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss when the asset is derecognized.

b. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost which comprise purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable cost of preparing the asset for its intended use. An intangible assets acquired in a business combination is recognized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treatedas changes in accounting estimates being accounted for on a prospective basis. The amortisation expenseon intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful lifefrom indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. 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 statement of profit or loss when the asset is derecognized.

Computer Software is amortized over a period of 5 years.

The Goodwill arising on Shares issued to DIL shareholders in pursuant to Demerger Scheme dated 16.01.2012 of Hon'ble BIFR is being amortized equally over the period of five years.

c. Inventories

Inventories of raw material, finished goods, work in progress / stock in process, traded goods and stores & spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing then to their present location & condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d. Revenue Recognition

The company manufactures urea and the price of the same is regulated by Government of India (GOI). The company sells urea to the Authorized dealers/agents at the subsidized rate of Rs. 4974 per ton and receives the subsidy from the GOI at the notified price in force.

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.Ind AS 115 supersede the current revenue recognition standard Ind AS 18 Revenue & Ind AS 11 Construction Contracts. Prior to 1st April, 2018, the company was recognizing revenue based on Ind AS 18.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model (5 steps model) for entities to use in accounting for revenue arising from contracts with customers.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Ind AS 115 has no significant impact on the basis of recognition of revenue as under Ind AS 18 also, the above steps were compiled within the recognition of revenue with regard to sales of Urea to the Authorized dealers/agents. The company deals with the authorized agents only and has entered individual contract with them, meets the performance obligation when the urea reaches the dealer, sells at the government regulated price and recognizes the revenue on satisfying the said performance obligation.

2. Subsidy from Urea is recognized in sales / income on the bills generated through Integrated Fertilizers Monitoring System (IFMS) of GOI on accrual basis in profit & loss accounts in accordance with Ind AS 20.

Subsidy on Urea including freight has been accounted on the basis of notified concession prices as under:

i. the New Pricing Scheme – Stage III and New Investment Policy 2008 for the period from April 1, 2015 to May 31, 2015;

ii. New Urea Policy 2015 from June 1, 2015 onwards; and

iii. Uniform Freight Policy

Price and Freight subsidy is measured based on principle/ notifications received from Fertilizer Industry Coordination Committee (FICC) an office of Government of India which regulates such subsidy and the bills are raised based on such notifications. Escalation/De-escalation in notified rates is estimated taking into account the effect of guidelines, policies, instructions and clarifications given by the Government. The difference, if any based on final notification received is treated as current year income or expenditure and the effect of change in estimate, if material, is disclosed separately.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time and Freight subsidy has been accounted for in line with the policy.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Interest

Interest income from a financial asset is recognized 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 (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e. Foreign Currency Transaction

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period-

i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iii. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

f. Retirement and other employee benefits

i) Retirement benefit costs

Payments to retirement benefit plans such as provident fund are recognized as an expense.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

ii) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

h. Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and had no lease arrangement to be recognised retrospectively or by modified approach with the cumulative effect of initially applying the Standard and thus Ind AS 116 application has no major impact Refer note 2(f) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

Company as a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

The Company has land on lease for the period of 999 years, and hence, is treated as finance lease.

i. Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

j. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted upto the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there be sufficient taxable profits against which to utilize the benefits of the temporary differences and are expected to reverse in the foreseeable future.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in the said asset is created by way of credit to the statement of profit and loss as disclosed as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable Company and the same taxation authority.

iii) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

k. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

l. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

n. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

o. Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an agreed transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

q. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset is any assets that is

- Cash;
- An equity instrument of another entity;
- A contractual right:
    i. To receive cash or another financial asset from another entity; or

ii. To exchange financial assets or financial liabilities with another entity under conditions that arepotentially favorable to the entity; or

- A contract that will or may be settled in the entity's own equity instruments and is:
  i. A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  ii. A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include current and non-current investments, loan to employees and body corporate, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

- A contractual obligation :
  i. To deliver cash or another financial asset to another entity; or
  ii. To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  i. A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  ii. A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities include Loans, trade payable and eligible current and non-current liabilities.

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

i. The entity's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

i. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

Recognition

Financial assets and financial liabilities are recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Measurement of financial assets

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets which are classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Trade receivables

Trade receivables are recognized initially at fair value and all are considered as current subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset and that transactions are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the Company recognizes its interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset, other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of financial asset between the part it continues to recognize under continuing involvement, and the part that is no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in the statement of profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial Liabilities

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement being recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/ payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

Preference share capital

Preference share capital is classified as a financial liability or an equity instrument based on the substance of a financial instrument, rather than its legal form.

Preference share is classified as an equity instrument if, and only if, both conditions a) and b) below are met

a) The instrument includes no contractual obligation:

   i. To deliver cash or another financial asset to another entity; or

   ii. To exchange financial assets or financial liabilities with another entity under conditions that is potentially unfavorable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

   i. A non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

   ii. A derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Preference share capital is classified as a financial liability if it provides for mandatory redemption for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount.

Compound financial instruments

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible instrument using the effective interest method.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor)is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

NOTE No. “4”

Property Plant & Equipment

(₹ in Lakhs)

Particulars	Lease hold Land	Building	Plant & Machinery	EDP Machine	Furniture & Fittings	Office equipments	AC & coolers	Refrig. & Water Cooler	Television / Cinematography	Stores & spares	Vehicles	Total
As at 31st March, 2019	**24,344**	**8,349**	**89,615**	**817**	**386**	**17**	**185**	**22**	**143**	**423**	**293**	**124,594**
Additions	-	-	3	45	12	-	15	13	2	-	1	91
Disposals	-	-	1,428	3	-	-	1	2	-	-	-	1,434
As at 31st March, 2020	**24,344**	**8,349**	**88,190**	**859**	**398**	**17**	**199**	**33**	**145**	**423**	**294**	**123,251**
Accumulated Depreciation												
As at 31st March, 2019	**-**	**1,463**	**31,982**	**577**	**189**	**11**	**70**	**12**	**53**	**135**	**133**	**34,625**
Charge for the year	-	304	6,906	50	39	1	18	3	13	28	32	7,394
Disposals	-	-	510	2	-	-	0	1	-	-	-	513
As at 31st March, 2020	**-**	**1,767**	**38,378**	**625**	**228**	**12**	**88**	**14**	**66**	**163**	**165**	**41,506**
Net Block(As at 31st March, 2019)	**24,344**	**6,886**	**57,633**	**240**	**197**	**5**	**115**	**10**	**90**	**288**	**160**	**89,969**
Net Block(As at 31st March, 2020)	**24,344**	**6,582**	**49,812**	**234**	**170**	**5**	**111**	**19**	**79**	**260**	**129**	**81,745**

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March, 2019
NOTE No. “5”		
Other Financial Assets		
Bank Deposits With More Than 12 Months Maturity *	7	1,396
Security Deposit	11	3,034
Other Receivables	22	145
* Pledged as margin with banks against LC/BGs & DSRA	40	4,575
NOTE No. “6”		
Other Non-Current Assets		
Prepaid Expenses	7	8
NOTE No. “7”		
Inventories		
Raw Materials	268	563
Work in Progress	1,533	2,407
Finished Goods	1,277	3,342
Stores & Spares	3,688	3,714
	6,766	10,026
NOTE No. “8”		
Trade Receivables		
Others (Unsecured, Considered Good)	133,210	99,168
NOTE No. “9”		
Cash and Cash Equivalents		
Balance with Banks	160	172
Term Deposit Account with Maturity of Less Than Three Months *	1,231	455
Cash in Hand	4	4
* Pledged as margin with banks against LC/BGs & DSRA	1,395	631

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March, 2019
NOTE No. “10”		
Other Bank Balances		
Deposits with Maturity for Less Than 12 Months *	966	269
NOTE No. “11”		
Other Financial Assets		
Accrued Interest Receivable	131	78
Other Receivables	5	5
Related Party	6,318	9,994
	6,454	10,077
NOTE No. “12”		
Current Tax Assets (Net)		
Advance Tax	724	686
Tax Deducted at Source	159	160
MAT Credit Entitlement	2,706	2,662
	3,589	3,508
NOTE No. “13”		
Other Current Assets		
Prepaid Expenses	231	159
Advances to Vendors	843	1,083
GST/VAT Receivable	2,939	2,591
	4,013	3,833

(₹ in Lakhs)

NOTE No. "14" Equity Share capital		As on 31st March, 2020	As on 31st March 2019
Authorised Share Capital			
Equity Share Capital			
82,50,00,000 (Previous period 82,50,00,000) Shares of Rs. 10/- each		82,500	82,500
Preference Share Capital			
37,50,00,000 (Previous period 37,50,00,000) Shares of Rs. 10/- each		37,500	37,500
Issued, subscribed and paid up capital		120,000	120,000
Equity Share Capital			
2,909,57,225 (Previous period 29,09,57,225) Shares of Rs. 10/- each fully paid up		29,096	29,096
Details of Shareholders Having More than 5% Shares	**% of Shares**	**As on 31st March, 2020**	**As on 31st March, 2019**
Equity Shares			
Jaypee Uttar Bharat Vikas Private Limited	69%	200,050,000	200,050,000
Jaypee Fertilizers & Industries Limited	22%	65,482,549	65,482,549
Mahabhadra Constructions Limited (w.e.f 21.04.2020)	9%	25,000,000	25,000,000
Reconciliation of No. of Shares Outstanding		**As on 31st March, 2020**	**As on 31st March, 2019**
Equity Share			
Equity Shares Outstanding at the Beginning of the Year		290,957,225	231,082,225
Equity Shares Issued During the Year		-	59,875,000
Outstanding at the End of the Year		290,957,225	290,957,225

Equity Shares

The Company has two classes of shares referred to as Equity Shares & Preference Shares having face value of Rs. 10/- each. Each holder of Equity Share is entitled to one vote per share. In the event of liquidation, each share carries equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the Company after making preferencial payments.

The Paid up Equity Share Capital of the Company is held by Jaypee Uttar Bharat Vikas Private Limited (Holding Company-69%) including 10,000 Equity Shares held in the name of subscribers to the memorandum as nominee of the Company , Jaypee Fertilizers & Industries Limited (22%) and Mahabhadra Constructions Limited (9%).

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. The Board of Directors has not proposed dividend for the current/previous years.

NOTE No. "15" Other Equity		As on 31st March, 2020	As on 31st March 2019
(i)	**Equity Component of Financial Instrument**		
	Opening Balance	6,150	12,138
	Less Conversion During the Year	-	5,988
	Closing Balance	6,150	6,150
(ii)	**Reserves and Surplus**		
	(a) Surplus (Profit and Loss Balance)		
	Opening Balance	4,701	4,469
	Profit / (Loss) for the year	87	232
	Closing Balance	4,788	4,701
	(b) Security Premium Reserve		
	Opening Balance	42,383	42,383
	Addition during the Year	-	-
	Closing Balance	42,383	42,383
	Total Reserve & Surplus	53,321	53,234
iii)	**Other Comprehensive Income**		
	(a) Remeasurement of Defined benefit plan (Net of Tax)		
	Opening Balance	175	178
	Addition/Deduction during the Year	(4)	(3)
	Closing Balance	171	175
	Total Other Equity	53,492	53,409

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March 2019
NOTE No. "16"		
Borrowings		
Secured		
Term Loans		
From Banks - Yes Bank Ltd. (YBL).	3,446	7,333
From Financial Institutions - India Infrastrucrure Finance Company Limited (IIFCL) (EIR - 13.18%)	8,181	10,682
From NBFC - SREI Equipment Finance Limited (SREI)	-	801
	11,627	18,816

The loan has been reinstated at fair value as per IND AS 32.

Security and Terms of repayment of secured loan from banks& financial instituions

i) i) IIFCL - The repayment has started in 48 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR + 3 % . The amount outstanding as at 31.03.2020 is Rs 10,515.20 Lakh (Previous Year - 11,276 Lakh).

This loan is secured by way of first ranking pari passu charge on all Fixed Assets (Immovable & movable ; both present & future) of the Company & second ranking pari passu charge on Current Assets (Both present & future) of the Company. This loan is further secured by way of pledge of 30% equity shares of the Company as held by Jaypee Uttar Bharat Vikas Private Limited & shortfall undertaking of Jaiprakash Associates Limited.

ii) YBL - The Loan is secured by way of first pari passu charge on all immovable and movable fixed assets (both present & future), extension of pledge over 30% share capital and NDU over 44% share capital of Bhilai Jaypee Cement Limited (on pari passu basis with other facilities of the bank in other group companies). Pledge and NDU are yet to be created. The rate of interest is floating 0.10% (zero point one zero percent) ("spread") over & above the Bank's one year MCLR. The loan is repayable in 12 equal quarterly installments starting from June,2019. The amount outstanding as at 31.03.2020 is Rs. 10,779.59 Lakh (Previous Year - 11,000 Lakh).

iii) SREI - The loan is secured by way of subservient charge on current assets of the company. The rate of interest is 12.50% p.a. The repayment is in 34 equated installments starting from December, 2017. The amount outstanding as at 31.03.2020 is Rs. 1,131.52 Lakh (Previous Year - 2,292.64 Lakh).

NOTE No. "17"		
Other Financial Liabilities		
Security and Other Deposits	1,147	1,195
NOTE No. "18"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	203	197
Leave Encashment	183	178
	386	375
NOTE No. "19"		
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities on Account of		
Timing Difference in Fixed Assets	5,617	6,108
Deferred Tax Assets on Account of		
Employee Benefit	167	154
Others	1,394	2,031
	1,561	2,185
	4,056	3,923

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March 2019
NOTE No. "20"		
Borrowings		
From Banks (Secured)		
State Bank of India (SBI)	39,909	39,927
ICICI Bank Ltd	8,346	7,499
Yes Bank Ltd (YBL)	4,110	3,966
	52,365	51,392

i) A consortium of Banks comprising State Bank of India and ICICI Bank has sanctioned working capital facilities of Rs.57,800 Lakh (both Fund Based and Non Fund Based).

These working capital facilities are secured by way of pari passu first charge on current assets comprising of stocks, stores & spares , stock in progress, finished goods,material in transit and book debts (both present & future) & second ranking pari passu charge on Fixed assets (movable & immovable, both present & future).

ii) Yes Bank Limited has sanctioned overdraft facility of Rs. 5,000 Lakh (Rupees Fifty crores only). The facility is secured by way of subservient charge over current assets of the Company , extension of pledge over 30% of share capital of Bhilai Jaypee Cement Limited held by JAL & NDU over 44% share capital of Bhilai Jaypee Cement Limited (BJCL) to be provided by JAL and personal guarantee of Sh. Manoj Gaur Ji. The pledge and NDU are yet to be created.

NOTE No. "21"		
Trade Payables		
Others	58,718	51,929
Micro Small Medium Enterprises	961	213
	59,679	52,142
Details relating to Micro, Small and Medium Enterprises is as under -		
a) Principal amount	961	213
b) Interest thereon	Nil	Nil
c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest due and payable for the period of delay in making payment without additing the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at March 31, 2020	Nil	Nil
f) The amount of interest remaining due and payable even in the suceeding years, until such date when the the interest is actually paid	Nil	Nil

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March, 2019
NOTE No. "22"		
Other Financial Liabilities		
Current Maturities of Long-Term Debt (Secured, Considered Good)		
India Infrastrucrure Finance Company Limited	2,263	512
Yes Bank Ltd.	7,333	3,667
SREI Equipment Finance Limited	1,132	1,490
Payable on Account of Employees	514	390
Security and Other Deposits	206	206
Amount Payable to Related Parties	156	109
Other Payable	13,661	4,278
	25,265	10,652

(₹ in Lakhs)

Particulars	As on 31st March, 2020	As on 31st March, 2019
NOTE No. "23"		
Other Current Liabilities		
Statutory Taxes and Dues	468	479
Advance Received from Customers	516	471
	984	950
NOTE No. "24"		
Provisions		
Gratuity	78	48
Leave Encashment	37	39
	115	87
NOTE No. "25"		
Current Tax Liability		
Provision for Income Tax	43	97

(₹ in Lakhs)

Particulars	Quarter Ended 31.03.2020	Quarter Ended 31.03.2019	Quarter Ended 31.12.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
NOTE No. "26"					
Revenue from Operation					
Sale of Products					
Urea Sale	9,117	8,937	9,915	38,876	37,226
Ammonia Sale	931	-	-	931	-
Govt Subsidy- Urea	52,860	50,576	48,365	203,995	206,169
Sale-Flyash	4	10	3	21	33
	62,912	59,523	58,283	243,823	243,428
Other operating revenue					
Sale -Traded Product	65	191	2,617	3,865	3,306
	65	191	2,617	3,865	3,306
	62,977	59,714	60,900	247,688	246,734
NOTE No. "27"					
Other Income					
Interest Income (including fair value of financial liability at amortised cost)	31	222	83	199	885
Foreign Exchange Gain (Net)	(15)	(7)	-	(15)	(50)
Misc Receipts	26	(3)	4	120	169
	42	212	87	304	1,004
NOTE No. "28"					
Cost of material Consumed					
Raw Materials Consumed	36,491	37,345	37,599	152,443	150,563
Electricity Charges	10,081	10,060	10,676	41,436	39,578
Coal Consumed	1,110	1,107	1,104	4,242	4,190
Water charges	26	26	28	113	113
Bags Consumed	468	539	507	2,079	2,237
Store and Spares Consumed	487	383	496	2,410	3,092
Freight & Material Handling	2	6	3	20	36
Repairs & Maintenance - Plant	463	366	308	1,933	1,882
Testing and Analysis Fees	(1)	10	2	10	54
	49,127	49,842	50,723	204,686	201,745
NOTE No. "29"					
Purchases of Stock-in-Trade					
Wheat seed	(2)	-	1,442	1,441	1,282
Calcium Nitrate	1	9	166	187	186
Zyme	10	53	297	765	556
Micro Nutrient	9	22	131	298	230
Sulphur	18	29	103	268	215
Zink Sulphate	14	8	61	167	182
City Compost	4	13	15	54	92
Ferrous Sulpphate	2	10	19	89	46
Others	1	-	13	14	28
	57	144	2,247	3,283	2,817
NOTE No. "30"					
Changes in Inventories of Finished Goods & Work-in-Progress					
Opening Stock					
Work-in-Progress	1,095	774	872	2,407	2,608
Finished Goods	1,981	2,966	2,795	3,342	9,931
	3,076	3,740	3,667	5,749	12,539
Closing Stock					
Work-in-Progress	1,533	2,407	1,095	1,533	2,407
Finished Goods	1,277	3,342	1,981	1,277	3,342
	2,810	5,749	3,076	2,810	5,749
	266	(2,009)	591	2,939	6,790

(₹ in Lakhs)

Particulars	Quarter Ended 31.03.2020	Quarter Ended 31.03.2019	Quarter Ended 31.12.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
NOTE No. "31"					
Employee Benefit Expense*					
Salaries and Wages	1,196	1,687	1,095	4,584	4,789
Contribution to Provident and Other Funds	57	49	58	230	255
Gratuity	(43)	(406)	108	65	65
Staff Welfare	40	169	39	174	292
	1,250	1,499	1,300	5,053	5,401
NOTE No. "32"					
Finance Cost					
Interest to Banks on Working Capital	1,785	1,483	1,618	6,681	5,998
Interest to Banks on Term Loan	775	1,019	683	2,857	3,819
Interest to Others	1,186	267	222	2,278	1,623
Financial Charges	-	3	40	42	153
	3,746	2,772	2,563	11,858	11,593
NOTE No. "33"					
Depreciation and Amortization expense					
Depreciation on Tangible Assets	1,822	1,825	1,862	7,393	7,399
Amortization of Intangible Assets	-	-	-	-	4
	1,822	1,825	1,862	7,393	7,403
NOTE No. "34"					
Other expenses					
Repairs & Maintenance - Others	351	205	343	957	720
Insurance	119	5	(107)	374	117
Rates & Taxes	19	17	64	134	109
Loading & Unloading Charges	331	366	301	1,316	1,235
Rent of Godown	(4)	(64)	7	33	52
Travelling & Conveyance Expenses	57	3	57	232	271
Postage, Telephone & Internet	6	7	9	30	35
Corporate Social Responsibility**	47	39	3	50	64
Vehicle Running & Hiring Charges	48	48	61	226	196
Freight & Octroi Expenses	1,572	1,820	1,611	6,666	7,009
Advertising and Sales Promotion	73	143	82	373	321
Printing & Stationery	0	2	1	4	7
Legal & Professional	54	167	73	346	568
Bank Charges & LC/BG Commission	22	12	19	243	209
Safety & Security	74	87	74	329	366
Recruitment Charges	2	1	1	8	4
Horticulture and Gardening	50	35	20	120	114
Auditors Remuneration***	24	19	0	24	22
(*) please refer details below	-	-	-	-	-
Fair value of Financial Liability at amortised cost	143	139	(7)	123	139
Bad Debts Written Off	-	6	-	67	50
Miscellaneous Expenses	17	6	13	48	33
	3,005	3,063	2,625	11,703	11,641
Exceptional Items					
Loss on Retirement of Fixed Assets	858	8	0	855	8

Notes to the Financial Statements for the Year Ended 31st March, 2020

(*) Disclosure as per Ind AS 19 'Employee Benefits'

(i) Defined Contribution Plans:

"A. Provident Fund

The Company pays fixed contribution to provident fund to the appropriate authorities. The contributions to the fund for the year are recognized as expense and are charged to the Profit or Loss. An amount of ₹ 2.29 crore (31 March 2019: ₹ 2.54 crore) for the year is recognised as expense on this account and charged to the Statement of Profit and Loss.

(ii) Defined Benefits Plans:

"A. Gratuity-Funded

a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary) for each completed year of service."

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Net Defined Benefit Obligation :		
Gratuity (Funded)	36	65
Total	**36**	**65**

(₹ in Lakhs)

Total Employee Benefit Obligation	As at 31.03.2020	As at 31.03.2019
Non-current	203	197
Current	78	48
Total	**281**	**245**

Movement in Net Defined Benefit Obligation for the Year (₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Present Value of Obligation as at the beginning of Period	245	258
Interest Cost	19	20
Service Cost	46	45
Benefit Paid	(36)	(65)
Total Actuarial (Gains)/Loss on Obligation	7	(13)
Total Service Cost to be Recognised in Statement of Profit & Loss A/C	**281**	**245**

Included in OCI (₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Actuarial (Gains)/Loss arising from:		
Financial Assumptions	(18)	1
Experience Adjustment	24	(14)
Total Amount Recognised in OCI	**6**	**(13)**

B. Defined Benefit Obligations

i. Actuarial Assumptions

The following were the Principal Actuarial Assumptions at the reporting date:

Particulars	31.03.2020	31.03.2019
Discount Rate	6.80%	7.66%
Retirement Age	60	60
Mortality Rate inclusive of Provision for disability	100% of IALM (2012-14)	"100% of IALM (2006-08)"
Withdrawal rate		
Up to 30 Years	2%	2%
From 31 to 44 Years	5%	5%
Above 44 Years	3%	3%
Salary Escalation Rate	4%	6%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakhs)

Particulars	31.03.2020		31.03.2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount Rate (0.50% movement)	(7)	7	(7)	8
Expected Return on Plan Assets (1% movement)				
Gratuity				
Salary Escalation Rate (0.50% movement)	7	(7)	8	(7)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

C. Risk Exposure

Valuations are based on certain Assumptions , which are dynamic in nature and vary over time. As such company is exposed to various Risks as follows

a) **Salary Increases**
Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability

b) **Changes in Discount Rate**
The Reduction in discount rate in subsequent valuations can increase the Plan's Liability

c) **Investment Risk**
If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

d) **Mortality & Disability**
Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) **Withdrawals**
Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

D. Expected Maturity Analysis of the Defined Benefit Obligations in Future Years

(₹ in Lakhs)

Particulars	0 to 1 Year	1 to 2 Year	2 to 3 Year	3 to 4 Year	4 to 5 Year	5 to 6 Year	6 Year Onwards
31 March 2020							
Gratuity	78	55	32	17	14	6	80
Total	**78**	**55**	**32**	**17**	**14**	**6**	**80**

The Weighted Average Duration of the Defined Benefit Plan Obligation at the end of the reporting period is as under:-

Particulars	31.03.2020	31.03.2019
Gratuity	21	17

(iii) Other Long Term Employee Benefit Plans

Leave

The Company provides for earned leave benefit to the employees of the Company which accrue monthly and in some case annually on the first day of the year. Earned Leave (EL) over and above fixed maximum number of days is encashed paid to employees while in service and balance at the time of retirement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of ₹ 2.20 crore (31 March 2019: ₹ 2.17 crore) for the year have been made on the basis of actuarial valuation at the year end.

(**) Corporate social responsibilities expenses (CSR)

As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years. The company incurs CSR expenses in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Amount required to be spent during the year	50	48
B. Amount Actually spent during the year	50	58
Amount unspent (if any)	-	-

Amount spent during the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
- (i) Construction/ Acquisition of any asset	6	-	6
- (ii) On purposes other than (i) above	44	-	44
Grand Total			**50**

Amount spent during the year ended 31 March 2019:

(₹ in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
- (i) Construction/ Acquisition of any asset	53	-	53
- (ii) On purposes other than (i) above	5	-	5
Grand Total			**58**

Break-up of the CSR expenses under major heads is as under:

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020
1. Contribution to Kanpur Literature Society for celebrating Indian Art, Music, Theatre	3
2. Restoration of Outside Drain	6
3. Paid to Jaiprakash Sewa Sansthan	33
4. Distribution of Zipper Shirt to Poor People	8
Total	**50**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2019
1. Contribution to EKAL Vidyalaya	2
2. Sanitation	2
3. Installation of Hand Pumps in Slum Areas	51
4. Contribution to Lucknow Expression Society	3
Total	**58**

(***) Auditors Remuneration

(₹ in Lakhs)

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
Audit Fees(Including LR Fees#)	8	6
Tax Audit Fees	3	3
GST Audit Fees	2	2
Cost Audit Fees	3	1
Internal Audit Fees	5	6
Secretrial Audit Fees	1	1
Audit Expenses	2	3
Total	**24**	**22**

LR Fees is included only in year ending 31.03.2020

NOTE No. "35"

1. Contingent Liability and Commitments not provided for in respect of

(₹ in Lakhs)

Particulars	2019-20	2018-19
a) Claims against the Disputed Liability (Including Tax) not acknowledged as Debt Income Tax demand for the AY 12-13 on Bank Guarantee Commission is disputed and appeal has been filed with Commissioner Appeals against the order of DCIT - TDS. Regular assessments of AY 12-13 appeal with ITAT and AY 13-14 in appeal with CIT (Appeals)).	328	354
b) Legal claims against Labour Court Cases	3,539	3,776
c) Outstanding Balances of Bank Guarantees	641	648
Margin Money deposited against the above	773	772
d) Outstanding Letters of Credit (including Foreign LCs)	8,000	8,000
Margin Money deposited against the above	930	875

2. Related Party Disclosure

Name of Related Party and Relationship

a) Holding Company

Jaypee Uttar Bharat Vikas Private Limited, Jaypee Fertilizers &Industries Limited&Jaiprakash Associates Limited

b) Fellow Subsidiary Companies

1. BhilaiJaypee Cement Limited
2. Himalyan Expressway Limited
3. Gujarat Jaypee Cement & Infrastructure Limited
4. Jaypee Ganga Infrastructure Corporation Limited
5. Jaypee Agra Vikas Limited
6. Jaypee Cement Corporation Limited
7. Himalyaputra Aviation Limited
8. Jaypee Assam Cement Limited
9. Jaypee Infrastructure Development Limited
10. Jaypee Healthcare Limited
11. Jaypee Cement Hockey (India) Limited
12. JaiprakashAgri Initiatives Company Limited
13. Yamuna Expressway Tolling Limited

c) Associate Companies:

1. Jaiprakash Power Ventures Limited (JPVL)
2. JaypeePowergrid Limited (JV subsidiary of JPVL)
3. Jaypee Arunachal Power Limited (wholly owned subsidiary of JPVL))
4. Sangam Power Generation Company Limited (wholly owned subsidiary of JPVL)
5. Prayagraj Power Generation Limited (subsidiary of JPVL)
6. Jaypee Meghalaya Power Limited (wholly owned subsidiary of JPVL)
7. Bina Power Supply Limited (wholly owned subsidiary of JPVL)
8. MP Jaypee Coal Limited (JV Associate Co.)
9. MP Jaypee Coal Fields Limited (JV Associate Co.)
10. Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
11. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV)
12. Jaypee Development Corporation Limited (JDCL) (wholly ownedsubsidiary of JIV)
13. Andhra Cements Limited (subsidiary of JDCL)
14. JIL Information Technology Limited (JILIT) (Subsidiary of JIV)
15. Gaur &Nagi Limited (wholly ownedsubsidiary of JILIT)
16. Jaypee International Logistics Company Private Limited (wholly ownedsubsidiary of JIV)
17. Tiger Hills Holiday Resort Private Limited (wholly ownedsubsidiary of JDCL)
18. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
19. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16)
20. RPJ Minerals Private Limited (RPJMPL)
21. Sarveshwari Stone Products Private Limited (wholly-owned subsidiary of RPJMPL)
22. Rock Solid Cement Limited (wholly-owned subsidiary of RPJMPL)
23. Sonebhadra Minerals Private Limited

d) KMPbased Associate Companies

1. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
2. Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
3. Jaiprakash Kashmir Energy Limited [dissolved w.e.f. 07.08.2018]. (KMP based Associate Co.)
4. Jaypee Jan SewaSansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
5. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
6. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
7. JC Wealth & Investments Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)

8. CK World Hospitality Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
9. First Light Estates Private Limited (KMP based Associate Co.) (Controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
10. Librans Venture Private Limited (KMP based Associate Co.) (it was dissolved w.e.f. 27.04.17 but was again activated) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
11. Jaypee Technical Consultants Private Limited (JAL, Holding Company KMP based Associate Co.)
12. KramInfracon Private Limited (KIPL) (JAL, Holding Company KMP based Associate Co.)
13. Akasva Associates Private Limited (JUBVPL, Holding Company KMP based Associate Co.)
14. Akasva Infrastructure Private Limited(JUBVPL, Holding Company KMP based Associate Co.)
15. GandharvBuildcon Private Limited(JUBVPL, Holding Company KMP based Associate Co.)
16. Viaan Technologies Private Limited(JUBVPL, Holding Company KMP based Associate Co.)
17. Renaissance Lifestyle Private Limited(JUBVPL, Holding Company KMP based Associate Co.)
18. Lucky Strikes Financiers Private Limited (KMP based Associate Co.)
19. SandharInfosystems Private Limited(KMP based Associate Co.)
20. Sandhar Hospitality (A Partnership firm) (KMP based Associate Co.)
21. Sparton Growth Fund Private Limited (KMP based Associate Co.)

e) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri A.K. Jain – Vice Chairman & CEO
3. Shri Sunny Gaur – Non Executive Director
4. Ms. Sunita Joshi – Non Executive Director
5. Shri R.K. Pandey – Non Executive Director
6. Shri S.D. Nailwal – Non Executive Director
7. Shri Gaurav Jain – Whole-time Director
8. Shri Sudhir Rana – Chief Financial Officer
9. Smt. Suman Lata – Company Secretary

f) Key Managerial Personnel of JUBVPL

1. Shri Suren Jain - Chairman
2. Shri R.K. Pandey – Non Executive Director
3. Shri S.D. Nailwal – Non Executive Director

g) Key Managerial Personnel of JFIL

1. Shri Sunil Kumar Sharma – Chairman
2. Shri G.P. Gaur – Director
3. Ms. Sunita Joshi – Director
4. Shri Amit Sharma – Director
5. Shri S.D. Nailwal – Director
6. Shri S.L. Mohan – Director

h) Key Managerial Personnel of JAL

1. Shri Jaiprakash Gaur (w.e.f. 19.05.2018)
2. Shri Manoj Gaur
3. Shri Sunil Kumar Sharma
4. Shri Raj Narayan Bhardwaj
5. Ms. Homai A. Daruwalla
6. Shri Kailash Nath Bhandari
7. Shri Satish Charan Kumar Patne
8. Shri Keshav Prasad Rau
9. Shri Tilak Raj Kakkar
10. Shri Sunny Gaur
11. Shri Pankaj Gaur
12. Shri Ranvijay Singh
13. Shri M.M. Sibbal, Company Secretary
14. Shri Ashok Soni, Chief Financial Officer

The Related Party Transactions are as follows:

(₹ in Lakhs)

Particulars	Related party	2019-20	2018-19
Expenditure			
Salary	Referred in (e) above	243	229
Car Hire Charges	Referred in (e) above	7	7
Reimbursement Towards Expenses	Referred in (a) above	118	244
Purchase of Goods & Services Received	Referred in (a & b) above	23,656	23,886
Outstanding Balances		**As at March 31, 2020**	**As at March 31, 2019**
Receivable	Referred in (a) above	6,318	9,994
Payable	Referred in (b) above	156	109

3. Financial Instrument

(i) Capital Management

The gearing ratios at the end of reporting year are as under

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt*	74,720	75,877
Cash and Bank Balances (including cash and bank balances in a disposal group held for sale)	2,361	900
Net Debt	**72,359**	**74,977**
Total Debt + Equity	1,54,947	1,57,482
Net Debt to Equity Ratio	46.70%	47.61%

*Debt is defined as Non-current and Current borrowings.

(ii) Categories of Financial Instruments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	2,361	900
c) Other Financial Assets	6,494	14.652
d) Trade Receivable	1,33,210	99,168
Total	**1,42,065**	**1,14,720**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	11,627	18,816
b) Current Borrowing	52,365	51,392
b) Trade Payable	59,679	52,142
c) Other Financial Liability	26.412	11,847
Total	**1,50,083**	**1,34,197**

(iii) Fair Value Measurement **(₹ in Lakhs)**

Particulars	Fair Value on ERR of 13% as at		Fair Value Hierarchy	Key Input(s)
	March 31, 2020	March 31, 2019		
Financial Assets				Refer note below*
Security Deposit	11	3,034	Level 2	
Financial Liabilities				
Borrowing	74,720	75,877	Level 2	
Security Deposit	1,147	1,195	Level 2	

***Input for Level 2:**

If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following Example:

(a) Quoted prices for similar assets or liabilities in active markets.

(b) Inputs other than quoted prices that are observable for the asset or liability, for example:Interest rates and yield curves observable at commonly quoted intervals.

(iv) Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other payables including financial obligations. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets are trade & receivables, security deposits and cash and short-term deposits that derive directly from its operations. The Company is exposed to the following risks from its use of financial instruments:

– Credit risk
– Liquidity risk
– Market risk

– **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, investment in debt securities, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The company sells urea and deals with the authorized agents only and has entered individual contract with them, meets the performance obligation when the urea reaches the dealer, sells at the government regulated price and recognizes the revenue on satisfying the said performance obligation.

The following list represents more than 5% of total balance of trade receivable:

(₹ in Lakhs)

S. No	Particulars	As at March 31st, 2020	As at March 31st, 2019
1	FICC, GoI	1,23,184	91,977

Ageing analysis of trade receivables

(₹ in Lakhs)

Age of Receivables	As at March 31st, 2020	As at March 31st , 2019
0-30 days	14,836	19,529
31-60 days	14,188	13,486
61-75 days	4	105
76-180 days	59,638	56,340
181 days & above	44,544	9,708

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of ` 23.61 crore (31 March 2019: `8.99 crore). The cash and cash equivalents are held with banks with high credit ratings.

Provision for expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. The company has customers (government utilities) with sufficient capacity to meet the obligations and therefore the risk of default is negligible or low. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

- Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and payments to trade payables including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Default in repayment of Term Loan and interest thereon

The company has defaulted in repayment of principle and interest dues w.r.t Term loan from Yes Bank Limited and SREI Equipments.

The lender wise details are as under:

(₹ in Lakhs)

Particulars	As At	Period of Delay					Total (Rs.)
		1-31 Days	32-60 Days	61-90 Days	91-180 Days	Above 180 Days	
Against Principal Amount							
Yes Bank Ltd	March 31, 2020	-	-	-	917	1,613	2,530
*SREI Equipments Financial Ltd-30 CR	March 31, 2020	-	95	72	-	-	167

(₹ in Lakhs)

Particulars	As At	Period of Delay					Total (Rs.)
		1-31 Days	32-60 Days	61-90 Days	91-180 Days	Above 180 Days	
Against Interest Amount							
Yes Bank Ltd	March 31, 2020	64	69	-	226	337	696
*SREI Equipments Financial Ltd-30 CR	March 31, 2020	-	8	8	-	-	16

Note:

1* The above stated period of delay in repayment on Loan and interest is arrived at after availing the benefit of moratorium of three months on payment of all instalments falling due between March 1st, 2020 and May 31st, 2020 vide Notification NO. BP.BC.47/21.04.048/2019-20 dated March 27th, 2020.

2. The above overdue amount of principle and interest default persisted on 31st March, 2020.

3. As requested by the Company, Yes Bank Limited is considering the restructuring of the loan which will be presented to the Consortium after lockdown.

(i) Financing arrangements

The company had access to the following working capital borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Cash credit		
State Bank of India	39,909	39,927
ICICI Bank Ltd	8,346	7,499
Overdraft		
Yes Bank Ltd	4,110	3,966
Total	**52,365**	**51,392**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

(ii) Maturities of financial liabilities

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

(₹ in Lakhs)

Particulars	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at March 31, 2020						
Borrowing	13	63,093	11,698	-	74,791	74,720
Trade Payables	13	59,679	-	-	59,679	59,679
Other Financial Liabilities	13	14,537	-	2,131	16,668	15,684
Total		**1,37,309**	**11,698**	**2,131**	**1,51,138**	**1,50,083**
As at March 31, 2019						
Borrowings	13	57,060	11,208	7,692	75,960	75,877
Trade Payables	13	52,142	-	-	52,142	52,142
Other Financial Liabilities	13	4,983	-	2,303	7,286	6,178
Total		**1,14,185**	**11,208**	**9,995**	**1,35,388**	**1,34,197**

- Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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.

(v) Interest Rate Risk Management

The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in Lakhs)

Particulars	Interest Impact as at	
	March 31, 2020	**March 31, 2019**
If Increase by 50 Basis Point Impact on Profit or Loss for the year	(106)	(95)
Impact on Total Equity as at the end of the reporting period	(106)	(95)
If Decrease by 50 Basis Point Impact on Profit or Loss for the year	106	95
Impact on Total Equity as at the end of the reporting period	106	95

(vi) Deposits Liened With -

(₹ in Lakhs)

S.No.	TDR No.	Date of Deposit	Amount	Authorities, Pledged With
1	37232660663	12-10-2019	165	State Bank of India against SBLC to GAIL (India) Ltd.
2	37024509915	18-07-2019	111	State Bank of India against SBLC to GAIL (India) Ltd.
3	32999387721	15-08-2019	10	State Bank of India against Railways Bank Guarantee for online freight payment.
4	33761290416	31-03-2020	654	State Bank of India against SBLC to GAIL (India) Ltd.
5	36448895508	30-09-2018	98	State Bank of India against BG in favour of President Officer, Labour Court
6	714997318	23-03-2018	9	ICICI Bank Ltd. against Bank Guarantee to Sales Tax Authorities
7	714358239	23-05-2018	2	ICICI Bank Ltd. against Bank Guarantee to Punjab VAT
8	714425042	24-04-2018	654	ICICI bank Ltd. against BG to KESCO
9	32250645718	31-03-2018	1	State Bank of India against BG to Haryana VAT

(₹ in Lakhs)

S.No.	TDR No.	Date of Deposit	Amount	Authorities, Pledged With
10	32844977524	31-03-2018	4	State Bank of India UP Power Corporation Limited
11	34213211634	31-03-2018	13	State Bank of India UP Power Corporation Limited
12	34898624286	27-08-2019	126	State Bank of India, DSRA
13	36323846542	17-03-2020	5	State Bank of India, DSRA
14	35817636993	06-06-2019	353	State Bank of India, DSRA
	Total		**2,205**	

4. Previous year figures have been regrouped/ reclassified wherever found necessary to make them confirm to the current year classification.
5. All figures have been rounded off to the nearest rupee.

Summary of Significant Accounting Policies &
Notes to the Financial Statements **"1" to "35"**

For Ravi Rajan & Company LLP
Chartered Accountants
Registration No. 009073N/N500320

For and on behalf of the Board

(Jayanth. A)
Partner
M. No. 231549

Manoj Gaur
Chairman
(DIN : 00008480)

Place: New Delhi
Dated : 23.05.2020

Suman Lata
Company Secretary
FCS-4394

Sudhir Rana
Chief Financial Officer

A.K. JAIN
Vice Chairman & CEO
(DIN: 01731920)

POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014)

TENTH ANNUAL GENERAL MEETING
Kanpur Fertilizers & Chemicals Limited
(Formerly Kanpur Fertilizers & Cement Limited)
(Corporate Identity Number: U24233UP2010PLC040828)
Sector-128, Noida, Uttar Pradesh. Tel: +91 01204609000, 2470800 www.kfclkanpur.com

I / We hereby exercise my /our vote in respect of the Resolutions to be passed through poll for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing Yes or No at the appropriate box below:

Description	No. of Shares Held	I / We assent to the resolution (For) (kindly mention the no. of shares out of the shares held)	I / We dissent to the resolution (Against) (kindly mention the no. of shares out of the shares held)
1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.			
2. To appoint a Director in place of **Shri R.K. Pandey (DIN:00190017),** who retires by rotation and, being eligible, offers himself for re-appointment.			
3. To appoint a Director in place of **Shri Sunny Gaur (DIN:00008293),** who retires by rotation and, being eligible, offers himself for re-appointment.			
4. Ratification of Remuneration of **M/s. Kabra & Associates, Cost Accountants, (Firm's Regn. no. 000075),** Cost Auditors for the Financial Year 2020-21.			
5. To appoint **Shri Anil Mohan (DIN: 08733802)** as Director of the Company .			
6. To appoint **Shri Satish Charan Kumar Patne (DIN: 00616104)** as an Independent Director of the Company for a term of 3 years.			
7. To appoint **Shri Krishnaswamy Venkatraman Rajendran (DIN: 02468551)** as an Independent Director for a term of 3 years.			

If undelivered please return to:

KANPUR FERTILIZERS
& CHEMICALS LIMITED

Registered & Corporate Office : Sector-128, Noida-201 304, Distt. Gautam Budh Nagar (U.P.)
Tel.: +91 (120) 4609000 **Fax:** +91 (120) 4963122