

Annual REPORT 2021-22



**KANPUR FERTILIZERS
& CHEMICALS LIMITED**

(formerly known as Kanpur Fertilizers & Cement Limited)



Board of Directors

Shri Manoj Gaur, Chairman

Shri Alok Gaur, Joint Managing Director & CEO

Shri S.D. Nailwal

Ms. Sunita Joshi

Shri Anil Mohan

Shri S.C.K. Patne, Independent Director

Shri K.V. Rajendran, Independent Director

Shri Ajit Kumar

Shri Devinder Singh Ahuja

**Shri R.K. Pandey has resigned w.e.f. 01.08.2022*

Bankers/Lenders

State Bank of India

ICICI Bank Limited

India Infrastructure Finance Company Limited

Yes Bank Limited

Registered Office

Sector-128, Noida 201 304 (U.P)

CIN: U24233UP2010PLC040828

Tel.: +91 120 4609000; Fax: +91 120 4963122

Website: www.kfclkanpur.com

Company Secretary

Ms. Ritu Gupta (w.e.f. 27.05.2022)

Statutory Auditors

M/s Sharma Vats & Associates

Chartered Accountants, New Delhi

Internal Auditors

M/s R. Nagpal Associates

Chartered Accountant, New Delhi

Cost Auditors

M/s Kabra & Associates

Cost Accountants, Delhi

Secretarial Auditor

M/s Anjali Yadav & Associates,

Company Secretaries, New Delhi

Registrar & Transfer Agent

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: www.alankit.com

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KANPUR FERTILIZERS & CHEMICALS LIMITED

(Formerly known as Kanpur Fertilizers & Cement Limited)

CIN: U24233UP2010PLC040828

Regd. Office: Sector -128, Noida-201304 (U.P.) Tel.: +91 120 4609000, Fax: +91 120 4963122

E-mail: kfcl.investor@jalindia.co.in, Website: www.kfclkanpur.com

NOTICE

Notice is hereby given that the **12th (Twelfth) Annual General Meeting ("AGM")** of the Members of **KANPUR FERTILIZERS & CHEMICALS LIMITED** (formerly known as Kanpur Fertilizers & Cement Limited) will be held on **Friday, 23rd September, 2022 at 11.30 A.M.**, through Video Conferencing / Other Audio Visual Means ("**VC / OAVM**"), 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, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Manoj Gaur (DIN:00008480)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Anil Mohan (DIN:08733802)**, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

4. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FINANCIAL YEAR 2022-23

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to **M/s Kabra & Associates, Cost Accountants (Firm Registration 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, 2023, amounting to Rs. 3,00,000/- (Rupees Three Lakhs only) (excluding applicable taxes and re-imbursement of out-of-pocket expenses incurred during audit) be and is hereby ratified.

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

5. APPROVAL/RATIFICATION FOR PAYMENT OF REMUNERATION TO SHRI GAURAV JAIN, THE THEN WHOLE-TIME DIRECTOR, FOR THE PERIOD FROM APRIL 1, 2019 TO MAY 27, 2020

To consider and if thought fit, to pass, with or without

modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the approval of Yes Bank Limited ("the lender"), the remuneration paid to **Shri Gaurav Jain (DIN:01102024)**, the then Whole-time Director of the Company, for the period from 1st April, 2019 to 27th May, 2020, be and is hereby approved and ratified.

RESOLVED FURTHER THAT no amount be refunded back by Shri Gaurav Jain to the Company as the remuneration paid is in terms of approval granted by the lender and as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary to give effect to the above resolution."

6. APPROVAL / RATIFICATION FOR PAYMENT OF REMUNERATION TO SHRI ASHOK KUMAR JAIN, THE THEN WHOLE-TIME DIRECTOR DESIGNATED AS 'VICE CHAIRMAN & CEO', FOR THE PERIOD FROM APRIL 1, 2019 TO JUNE 13, 2020

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

"RESOLVED THAT pursuant to Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the approval of Yes Bank Limited ("the lender"), the remuneration paid to **Shri Ashok Kumar Jain (DIN:01731920)**, the then Whole-time Director (designated as Vice Chairman and CEO) of the Company, for the period from 1st April, 2019 to 13th June, 2020, be and is hereby approved and ratified.

RESOLVED FURTHER THAT no amount be refunded back by Shri Ashok Kumar Jain to the Company as the remuneration paid is in terms of approval granted by the lender and as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, consider necessary to give effect to the above resolution."

7. APPROVAL FOR PAYMENT OF REMUNERATION TO SHRI ALOK GAUR, WHOLE-TIME DIRECTOR DESIGNATED AS 'JOINT MANAGING DIRECTOR & CEO'

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 Sections 196, 197, 198, 200 and 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of approval of Yes Bank Limited ("the lender"), approval of the Members be and is hereby accorded for the payment of remuneration to **Shri Alok Gaur (DIN: 00112520)**, Whole-time Director (designated as Joint Managing Director & CEO) of the Company on a monthly basic salary of Rs. 6,58,125/- and perquisites as mentioned in the Statement annexed to the Notice convening this Meeting, for a period of three years w.e.f. 1st February, 2021 to 31st January, 2024, with all other terms and conditions of appointment remaining unchanged as approved by the Members in the Annual General Meeting held on 29th September, 2021.

RESOLVED FURTHER THAT pursuant to Section 197 and all other applicable provisions, if any, of the Companies Act, 2013, the remuneration as set out in the said Statement be paid as minimum remuneration to Shri Alok Gaur, notwithstanding that in any financial year during his tenure as Joint Managing Director & CEO, the Company has made no profits or profits are inadequate.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee including remuneration, as it may at its sole discretion, deem fit, from time to time provided that the remuneration is in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT so long as Shri Alok Gaur functions as the Joint Managing Director & CEO of the Company and draws the remuneration as aforesaid, he will not be entitled to any fee for attending meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolutions, the Board of Directors (which term shall be deemed to include any Committee of the Board authorized in the said behalf) be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of the aforesaid without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. RE-APPOINTMENT OF SHRI KRISHNASWAMY VENKATRAMAN RAJENDRAN AS AN INDEPENDENT DIRECTOR FOR SECOND TERM OF FIVE YEARS

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, **Shri K.V. Rajendran (DIN: 02468551)**, who was appointed as an Independent Director of the Company for a term of 3 years to hold office upto 2nd May, 2023 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years effective immediately after expiry of his current term on 2nd May, 2023 i.e. from 3rd May, 2023 till 2nd May, 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion consider necessary to give effect to this Resolution."

Regd. Office :	By Order of the Board of Directors
Sector-128, Gautam Budh Nagar Noida- 201304 (U.P.) www.kfcikanpur.com	For Kanpur Fertilizers & Chemicals Ltd.
Place : New Delhi	(Ritu Gupta)
Date : 27 th May, 2022	Company Secretary
	Membership No. A20334

NOTES

1. The Explanatory Statement 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 to 8 of the accompanying Notice is annexed hereto. Special business under Item No. 4 to 8, being considered unavoidable by the Board of Directors, will be transacted at the 12th AGM of the Company.
2. The details of Directors seeking appointment/re-appointment/ approval for remuneration at this Meeting, as required to be given pursuant to the provisions of Companies Act read with Secretarial Standard-II on General Meeting issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice.
3. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), Government of India issued various Circulars allowing conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility. In compliance with these Circulars and provisions of the Act, the 12th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. Since

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the 12th AGM will be held through VC/ OAVM facility, the Route Map is not annexed in this Notice

4. In terms of the MCA Circulars, physical attendance of Members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM.
5. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants and physical copy of the same shall be dispatched to the Member, if requested. Members may note that the Notice of 12th AGM and Annual Report 2021-22 will also be available on the Company's website i.e. www.kfclkanpur.com. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by providing the scanned copy of requisite documents to the Company by sending an e-mail to kfcl.investor@jalindia.co.in; and
 - b) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the concerned Depository Participant.
6. Members who are holding shares in physical form are requested to notify the change, if any, in their address or bank details to the Company's Registrar and Transfer Agent (RTA) and always quote their folio number in all correspondence with the Company and RTA. Members holding shares in demat form are requested to notify the change in address or bank details to their respective Depository Participants. Members who are still holding shares in physical form are advised to get their shareholding dematerialized to avail the benefits of dematerialization which besides others include electronic transfer, savings in stamp duty, prevention of forgery etc.
7. The Register of Members and Share Transfer Books will remain closed from **Saturday, 17th September, 2022 to Friday, 23rd September, 2022** (both days inclusive) for the purpose of Annual General Meeting.
8. Attendance of the Members participating in the AGM through VC/ OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. 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 and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to kfcl.investor@jalindia.co.in.

10. Members can avail the nomination facility in terms of Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, by nominating any person to whom their shares shall vest on occurrence of certain events.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company or the Company's RTA i.e. Alankit Assignments Ltd.
12. Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company, the ledger folios of such accounts, to enable the Company to consolidate all such shareholdings into one account.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 10 days before the date of AGM by sending e-mail at kfcl.investor@jalindia.co.in. The same will be replied by the Company suitably.
14. The Members are requested to follow the below mentioned instructions to attend the AGM through VC / OAVM:-

A. PARTICIPATION:

- I. Pursuant to the various circulars issued by MCA, the physical presence of the Members has been dispensed with and therefore, the appointment of Proxy 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 12th Annual General Meeting at least 2 days before the date of AGM.

- II. Members may join the 12th AGM through VC/ OAVM facility by following the procedure as mentioned below which shall be kept open for the Members 30 minutes before the time scheduled to start the 12th AGM and the Company may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the 12th AGM.
- III. Members may note that the VC/ OAVM facility allows participation of one thousand members on a first-come-first-serve basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-serve basis.
- IV. 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=VXFud0lqV2hoS2kzWFivT0Z3ZWlIQT09>
Meeting ID: 944 292 7281
Passcode: 636363

the Company at www.kfclkanpur.com post conclusion of the meeting.

EXPLANATORY 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 8 of the accompanying Notice:

ITEM NO. 4

RATIFICATION OF REMUNERATION OF COST AUDITORS FOR FINANCIAL YEAR 2022-23

The Board of Directors, on the recommendation of the Audit Committee, in its Meeting held on 27th May, 2022, approved the re-appointment and remuneration of M/s Kabra & Associates, Cost Accountants (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, 2023. 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 being sought for payment of Remuneration amounting to Rs. 3,00,000/- (Rupees Three Lakhs only) (excluding applicable taxes and re-imbursement of out-of-pocket expenses incurred during audit) to M/s Kabra & Associates for conducting audit of the Cost Records of the Company for the Financial Year ending on 31st March, 2023.

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

The Board of Directors accordingly commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5 & 6

APPROVAL/RATIFICATION FOR PAYMENT OF REMUNERATION TO SHRI GAURAV JAIN AND SHRI ASHOK KUMAR JAIN, EX WHOLE-TIME DIRECTORS

The Members at the Annual General Meeting held on September 23, 2017 had approved the appointment and remuneration of Shri Gaurav Jain as Whole-time Director of the Company for a period of three years w.e.f. 28th May, 2017 to 27th May, 2020 and at the Annual General Meeting held on 30th August, 2018, the Members have approved the re-appointment and payment of remuneration of Shri Ashok Kumar Jain as Whole-time Director designated as Vice Chairman & CEO for a period of three years w.e.f. 25th May, 2018 to 24th May, 2021 (though he resigned on 13th June, 2020).

Section 197 read with Schedule V of the Companies Act, 2013 details the conditions subject to which minimum remuneration could be paid to a managerial person in case of loss or inadequacy of profits. Further, in case the Company has defaulted in payment of dues to bank(s) or public financial institution(s) or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other

- V. In case, any Member requires any assistance in joining or participating in the meeting, he/she may contact the Authorised Representative on 0120-4972625 or send an e-mail at kfcl.investor@jalindia.co.in.
- VI. 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 VC/OAVM facility has strong internet signal/ network.

B. VOTING:

- I. If 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 e-mail 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 an e-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 **Ms. Anjali Yadav (Membership No. F6628 & Certificate of Practice No. 7257)**, as Scrutinizer, in case of voting through Poll to ensure that the scrutiny of the votes cast on a poll is done in a fair and transparent manner.

- V. The Scrutinizer will submit her report to the Chairman or a person authorized by him after scrutinizing the votes received and 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.

C. OTHER INSTRUCTIONS/ INFORMATION:

- I. Members are requested to address all communications through their registered e-mail id only.
- II. The recorded transcript shall be available on the website of

KANPUR FERTILIZERS & CHEMICALS LIMITED

secured creditor, as the case may be, is required to be obtained by the Company before obtaining the approval of the Members in the General Meeting.

Accordingly, as per the provisions of Section 197(9) and 197(10) of the Act, the Company had approached Yes Bank Limited to provide No-objection in its capacity as Lender, for the payment of remuneration to Shri Ashok Kumar Jain and Shri Gaurav Jain, the then Whole-time Directors of the Company, during the period from 1st April, 2019 till the respective dates of their resignation/ completion of term, as already approved by the Shareholders of the Company in the aforesaid respective AGMs.

Acceding to the Company's request, Yes Bank Limited vide its letter No. YBL/ARM/21-22/1049 dated 3rd March, 2022, has conveyed its No-objection to the payment of remuneration to the aforesaid Ex whole-time Directors. A copy of the said letter would be available for inspection by the Members electronically.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is in any way, to be concerned or interested, financially or otherwise, in the Resolutions.

The Board of Directors accordingly commends the Special Resolutions set out at Item Nos. 5 & 6 of the Notice for approval of the Members.

ITEM NO. 7

APPROVAL FOR PAYMENT OF REMUNERATION TO SHRI ALOK GAUR, WHOLE-TIME DIRECTOR DESIGNATED AS 'JOINT MANAGING DIRECTOR & CEO'

Keeping in view the rich and varied experience of Shri Alok Gaur and his involvement in the day-to-day affairs of the Company, concurring with the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors in its Meeting held on 29th January, 2021 has appointed Shri Alok Gaur as an Additional Director w.e.f. 29th January, 2021 and as a Whole-time Director (designated as Joint Managing Director & CEO) w.e.f. 1st February, 2021 for a period of 3 years i.e. upto 31st January, 2024 on the following remuneration subject to the approval of Shareholders and other necessary approvals. Subsequently, the Members in the AGM held on 29th September, 2021 have approved his appointment on the terms and conditions as recommended by the Board of Directors of the Company except the Remuneration. Due to default in payment to Yes Bank Limited ('the Lender'), the following terms and conditions of Remuneration approved by the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee required the prior approval of the Lender for approval of the Shareholders:

I. Salary

Rs. 6,58,125/- (Rupees Six Lakhs Fifty Eight Thousand One Hundred and Twenty Five) only per month in the following pay scale:

2,25,000-22,500-3,37,500-33,750-5,06,250-50,625-7,59,375
[With annual increment on 1st of February, every year]

II. Perquisites and other benefits:

Besides the above salary, Shri Alok Gaur, Whole-time Director shall be entitled to the perquisites which may include accommodation / HRA, Reimbursement of expenses

for Gas, Electricity, Water and Furnishings, Medical Reimbursements, Leave Travel Concession (LTC), Insurance Premium, Car, Telephone/Mobile, Contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Leave encashment at the end of the tenure etc.

Perquisites, save and except the following, would be restricted to an amount equal to the basic salary:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at the end of the tenure at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure as per rules/ policy of the Company.

In the event of absence or inadequacy of profits in any financial year during the tenure of Shri Alok Gaur, the aforesaid remuneration would be paid as the minimum remuneration.

Section 197 read with Schedule V of the Companies Act, 2013 details the conditions subject to which minimum remuneration could be paid to a managerial person in case of loss or inadequacy of profits. In case, the Company has defaulted in payment of dues to bank(s) or public financial institution(s) or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, is required to be obtained by the Company before obtaining the approval in the General Meeting.

Accordingly, as per the provisions of Section 197(9) and 197(10) of the Act, the Company had approached Yes Bank Limited to provide No-objection in its capacity as Lender, for payment of remuneration to Shri Alok Gaur, Joint Managing Director & CEO, for the period from 1st February, 2021 to 31st January, 2024.

Acceding to the Company's request, Yes Bank Limited vide its letter No. YBL/ARM/21-22/1049 dated 3rd March, 2022, has conveyed its No-objection to the payment of remuneration to Shri Alok Gaur. A copy of the said letter would be available for inspection by the Members electronically. Subsequent to the aforesaid approval of Yes Bank Limited, approval of shareholders for payment of remuneration to Shri Alok Gaur is being sought by way of Special Resolution.

The disclosures, as required in terms of Schedule V to the Companies Act, 2013, are given below:-

I. General Information of the Company

S. No.	Particulars	Remarks
1	Nature of Industry	Engaged in the manufacturing of Fertilizers
2	Date or expected date of commencement of commercial production	17th May, 2013

3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	As on 31.03.2022: Gross Total Revenue - Rs. 2,592.12 Crores Profit before Tax - Rs. 11.53 Crores Profit after Tax - Rs. 21.06 Crores
5	Foreign Investments or Collaboration, if any	N.A.

II. Information about the appointee.

S. No.	Particulars	Remarks
1.	Background details	Shri Alok Gaur (DIN: 00112520), aged 59 years holds the degree of B.E. (Electricals) from IIT, Roorkee. He has around 39 years of experience in diverse segments such as Cement, IT, Business Consulting etc. He was a part of the cement business of Jaypee Group since 2007 and has wide ranging experience of setting up / operating continuous process industries like cement, fertilizer etc. He was working as the Chief Operating Officer of the Company since June, 2020 before his appointment as Joint Managing Director & CEO.
2.	Past remuneration from the Company	Shri Alok Gaur was not drawing any remuneration from the Company in the past.
3.	Recognition or awards	N.A.
4.	Job Profile and his suitability	Shri Alok Gaur will be responsible for managing the day to day affairs of the Company. Prior to his appointment as Whole-time Director, he was the Chief Operating Officer of the Company and was discharging his duties diligently. Hence, he is suitable to hold the office of Whole-time Director (designated as Joint Managing Director & CEO of the Company).
5.	Remuneration Proposed	As given above in the Explanatory Statement.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	In comparison to other companies engaged in manufacturing business and considering the profile of Shri Alok Gaur, the proposed remuneration is considered reasonable.

7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	No pecuniary relationship, directly or indirectly with the Company, except to the extent of his regular Salary & Perquisites. He is not related to any managerial personnel of the Company.
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III. Other Information:

1. Reasons of loss or inadequate profits

Change in energy norms by Government of India and increased energy consumption.

2. Steps taken or proposed to be taken for improvement

The Company has re-aligned / restructured its loan with Yes Bank Limited, the Lender. Also, the Company is making continuous efforts, as a result of which, a Committee has been formed by the Secretary Fertilizer to recommend the energy norms for the Company and the said Committee has submitted its report and the notification fixing the energy norm for subsidy for the Company is expected to be issued shortly.

To continue to fulfill its commitments/obligations towards the Lenders, in line with the duly approved and publically stated policy of the Company, the Company continues to remain focused on increasing the revenue by hundred percent capacity utilization of its Fertilizer Plant at Kanpur.

3. Expected increase in productivity and profits in measurable terms

Consequent to the re-alignment / restructuring of debt by Yes Bank Limited, finance cost is expected to be reduced. We are hopeful that after such restructuring, Company will be able to serve the remaining debt apart from booking profits. Also, notification fixing the energy norm for subsidy for the Company is expected to be issued shortly which will help in reduction of debts and improvement of financials.

Save and except, Shri Alok Gaur, who is interested in the resolution relating to payment of his remuneration, none of the other Directors or Key Managerial Personnel of the Company or their relatives is in anyway, financially or otherwise, concerned or interested in this Resolution.

The Board of Directors accordingly commends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

ITEM NO. 8

RE-APPOINTMENT OF SHRI KRISHNASWAMY VENKATRAMAN RAJENDRAN AS AN INDEPENDENT DIRECTOR FOR SECOND TERM OF FIVE YEARS

As per the provisions of the Companies Act, 2013 and based on the recommendations of the Board of Directors and Nomination and Remuneration Committee, the Members of the Company in the Annual General Meeting held on September 26, 2020 have appointed Shri K.V. Rajendran as an Independent Director of the Company w.e.f. 3rd May, 2020 for a term of 3 consecutive years. Accordingly, the tenure of Shri Rajendran, as an Independent Director, is valid upto 2nd May, 2023.

In terms of provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be

KANPUR FERTILIZERS & CHEMICALS LIMITED

eligible for re-appointment on passing of a special resolution by the Members of the Company and disclosure of such appointment in the Board's Report.

After taking into account the performance evaluation report, which has been found to be good and considering the knowledge, skills, acumen, expertise and experience in respective fields and the contribution made by Shri K.V. Rajendran during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 27th May, 2022 has considered, approved and recommended, the re-appointment of Shri K.V. Rajendran as an Independent Director for a second term of 5 (five) consecutive years with effect from 3rd May, 2023 to 2nd May, 2028, to the Board of Directors for its approval.

Based on the recommendation of the Nomination and Remuneration Committee and the report of his performance evaluation and in view of rich experience, continued valuable guidance to the management and performance of Shri K.V. Rajendran, the Board of Directors at its Meeting held on 27th May, 2022 has considered and approved his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 3rd May, 2023 to 2nd May, 2028, subject to the approval of the Members by way of Special Resolution at the 12th Annual General Meeting. Copy of draft letter of his re-appointment setting out the terms and conditions is available electronically for inspection by the Members.

The Board considers that his association would be of immense benefit to the Company. In the opinion of the Board, he fulfills all the conditions specified in the Act for such re-appointment. The Company has received his consent in writing to act as Independent Director, intimation in Form DIR-8 to the effect that he is not disqualified in accordance with sub-section 2 of Section 164 of the Act and a Certificate of Independence.

Save and except Shri K.V. Rajendran, being the appointee to whom the Resolution relates, none of the other Directors or Key Managerial Personnel or their relatives is in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors accordingly commends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

Regd. Office : **By Order of the Board of Directors**
Sector-128, **For Kanpur Fertilizers & Chemicals Ltd.**
Gautam Budh Nagar
Noida- 201304 (U.P.)

www.kfcikanpur.com

Place : New Delhi
Date : 27th May, 2022

(Ritu Gupta)
Company Secretary
Membership No. A20334

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / re-appointment/ approval for remuneration at the 12th Annual General Meeting in pursuance of provisions of the Companies Act, 2013 read with SS-2

Name of the Director & DIN	Shri Manoj Gaur (DIN:00008480)	Shri Anil Mohan (DIN:08733802)	Shri Alok Gaur (DIN: 00112520)	Shri K.V. Rajendran (DIN: 02468551)
Date of Birth	16.06.1964	25.08.1953	22.10.1962	24.01.1953
Qualifications	Bachelors' Degree in Civil Engineering from the Birla Institute of Technology and Science, Pilani.	B.A., LL.B. & Diploma in HRD from IMT Ghaziabad	B.E. (Electricals) from IIT, Roorkee	Post Graduation degree in Psychology and PG Diploma in Radiological Physics from BARC, Bombay University.
Experience	36 years of vast experience in various sectors including cement manufacturing & marketing, infrastructure, real estate, fertilizers, power, hospitality, etc. including over 20 years' experience in Corporate and Finance matters of the Flagship Company of the Group	He 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.	Around 39 years of experience in diverse segments such as Cement, IT, Business Consulting etc. He was a part of the cement business of Jaypee Group since 2007 and has wide ranging experience of setting up / operating continuous process industries like cement, fertilizer etc. He was working as the Chief Operating Officer of the Company since June, 2020	Around 42 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.

Date of first appointment on the Board	31.05.2010	13.04.2020	29.01.2021	03.05.2020
Terms and conditions of appointment or re-appointment	Re-appointment as a Director, liable to retire by rotation	Re-appointment as a Director, liable to retire by rotation	Terms and conditions of appointment remaining unchanged, as approved by the Members in the Annual General Meeting held on 29th September, 2021	Re-appointment as an Independent Director for a term of 5 (Five) consecutive years, not liable to retire by rotation
Details of remuneration sought to be paid	Sitting fee of Rs.50,000/- for each Board Meeting	Sitting fee of Rs.50,000/- for each Board Meeting and Rs.25,000/- for each Committee Meeting.	As mentioned in the Explanatory Statement	Sitting fee of Rs.50,000/- for each Board Meeting and Rs.25,000/- for each Committee Meeting.
Remuneration last drawn during Financial Year 2021-22	Sitting fee of Rs. 2,50,000/-	Sitting fee of Rs. 2,50,000/-	Rs. 1,12,43,853/-	Sitting fee of Rs. 4,50,000/-
Shareholding in the company (either in his name or in the name of any other persons or on beneficial interest basis)	8000 Equity Shares of the Company are being held jointly with Jaypee Uttar Bharat Vikas Private Limited (JUBVPL), where Beneficial interest is with JUBVPL.	NIL	NIL	NIL
Relationship with other Directors and other Key Managerial Personnel of the Company	N.A.	N.A.	N.A.	N.A.
Number of Meetings of the Board attended during Financial Year 2021-22	5	5	5	5
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<p>Directorship: Jaiprakash Associates Ltd., Jaypee Infratech Ltd., Jaiprakash Power Ventures Ltd., MP Jaypee Coal Ltd., Jaypee Cement Corporation Ltd., Jaypee Infra Ventures Private Ltd., Jaypee Jan Sewa Sansthan, Jaypee Healthcare Ltd., Bhilai Jaypee Cement Ltd., Indesign Enterprises Pvt. Ltd., JIL Information Technology Ltd.</p> <p>Committees: Chairman of Risk Management Committee and Committee for Statutory policies in Jaiprakash Associates Limited</p>	NIL	<p>Directorship: JIL Information Technology Ltd., Gaur & Nagi Ltd., Jaypee Infrastructure Development Ltd., Bina Mines and Supply Ltd., Jaypee Cement Hockey (India) Ltd., Jaiprakash Agri Initiatives Company Ltd., Jaypee Cement Corporation Ltd., Sonebhadra Minerals Pvt. Ltd., RPJ Minerals Pvt. Ltd., Siddharth Utility Pvt. Ltd., Sarveshwari Stone Products Pvt. Ltd., The Fertilizer Association of India</p> <p>Committees: Chairman of Audit, NRC & Finance Committee and Member of CSR Committee in Jaypee Cement Corporation Ltd. and Member of NRC & Finance Committee in JIL Information Technology Ltd.</p>	<p>Directorship: Andhra Cements Ltd., NEDAR Foundation, Alliance to Promote Abilities & Rehabilitation LLP (Designated Partner)</p> <p>Committees: Chairman of Audit Committee and Member of NRC Committee in Andhra Cements Ltd.</p>

BOARD'S REPORT

To,

The Members,

The Directors of your Company are pleased to present the **Twelfth Annual Report** together with the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022.

1. FINANCIAL SUMMARY

The working results of the Company for the Financial Year 2021-22 alongwith its comparison with the previous Financial Year are as under:

(Rs. in Crores)

	Year ended 31.03.2022	Year ended 31.03.2021
(A) PROFITABILITY		
1 Gross Total Revenue	2,592.12	1,894.66
2 Profit before Interest, Depreciation & Tax	155.28	152.42
3 Less : Finance Cost	61.15	140.82
4 Less : Depreciation	82.64	73.00
5 Profit before Exceptional items & Tax	11.49	(61.40)
6 Exceptional/Extra-ordinary Items	(0.04)	(1.51)
7 Profit before Tax	11.53	(59.89)
8 Tax Expense	(9.53)	(13.37)
9 Profit after Tax	21.06	(46.52)
10 Other Comprehensive Income	0.04	0.17
11 Total Comprehensive Income	21.10	(46.35)
12 Basic Earnings Per Share	0.61	(1.41)
13 Diluted Earnings Per Share	0.60	(1.32)
(B) ASSETS & LIABILITIES		
1 Non Current Assets	730.90	806.38
2 Current Assets	1,106.43	700.23
3 Total Assets (1+2)	1,837.33	1,506.61
4 Equity Share Capital	343.46	343.46
5 Other Equity	457.17	436.06
6 Non Current Liabilities	174.48	120.39
7 Current Liabilities	862.22	606.70
8 Total Equity and Liabilities (4+5+6+7)	1,837.33	1,506.61

2. DIVIDEND

With a view to conserve the resources for the operations of the Company, your Directors have not recommended any dividend for the Financial Year 2021-22.

3. TRANSFER TO RESERVE

During the year under Report, your Company has not transferred any amount to General Reserve.

4. OPERATIONAL PERFORMANCE

During the year under Report, the Company was able to achieve 93% capacity utilization which was same as that

of last year. Energy consumption increased to 7.15 GCal/MT of urea from 7.01 GCal/MT of urea in the previous year 2020-21. Limitation of Gear Box speed in GHH Compressor of Ammonia 3 continues resulting in less production and increase in energy. New Gear Box is likely to be installed in August, 2022.

The Consortium led by State Bank of India did not allow repayment installments of loan availed from Yes Bank Limited (YBL). Yes Bank declared Company's account as Non Performing Asset (NPA) w.e.f. 30th September, 2019 and the rating of the Company got downgraded to "D" from "BBB-". During the year under Report, the loan from YBL has been restructured / re-aligned and account has been upgraded by YBL. YBL has also withdrawn all cases filed against the Company i.e. the petition filed before NCLT, Allahabad, complaint under Section 138 of Negotiable Instruments Act before District Court, Patiala House, Delhi and proceedings before Debt Recovery Tribunal.

Proposed Amalgamation of Jaypee Fertilizers & Industries Limited, Jaypee Uttar Bharat Vikas Private Limited with Kanpur Fertilizers & Chemicals Limited

Subsequent to the aforesaid re-alignment / re-structuring of loan by Yes Bank Limited, further actions for the proposed Amalgamation of Jaypee Fertilizers & Industries Limited, Jaypee Uttar Bharat Vikas Private Limited with the Company would be taken on receipt of NOCs for the same from the Lenders. The Board of Directors at its Meeting held on 19th June, 2021 has constituted a Restructuring Committee comprising Shri S.C.K. Patne (Chairman), Shri S.D. Nailwal and Ms. Sunita Joshi (Members) to look into various options for restructuring of the Company including amalgamation of Companies having synergy with the business of the Company.

Subsidy matter

The subsidy payable to the Company was on the basis of preset energy norms for companies covered under Group-III which was 7.847 GCal/MT of Urea for the Company. Government of India has issued New Urea Policy 2015 (NUP-2015) setting the energy norms of 6.5 GCal/MT w.e.f. April, 2018 for Group III Companies. Department of Fertilizers, vide notification dated 28th March, 2018, had approved the extension of the existing norms for the Company i.e. till 30th September, 2020 with penalties. Accordingly, the Company received subsidy payments as per the following energy norms:

- Upto FY19 @ **7.847 GCal/MT**
- In FY20 @ **7.847 GCal/MT less 5% penalty** (calculated on difference of 7.847 GCal/MT and 6.5 GCal/MT) i.e. **7.780 GCal/MT**
- In FY21 (upto 30th September, 2020) @ **7.847 GCal/MT less 10% penalty** (calculated on difference of 7.847 GCal/MT and 6.5 GCal/MT) i.e. **7.712 GCal/MT**

From July 2015 onwards, the Company has made several representations for special energy norms to the Government of India (GoI) at various levels including numerous meetings of our Chairman Shri Manoj Gaur with the Hon'ble Minister of Fertilizers and Secretary Fertilizers to consider the Company as a BIFR revived plant outside Group-III of NUP-2015.

In October 2018, a presentation was also made to Niti Aayog for considering the Company (along with SFC Kota and GNFC Bharuch) as special case for fixation of economic energy norm compared to the new energy norm of 6.5 GCal/MT of Urea, specially on account of the vintage plant having technology usage of Coal as against new technology plants that fully rely on Imported Natural Gas which involves price fluctuation and Forex outflow for the Country.

While the applications to consider our request for a sustainable energy norm of not less than 7.424 GCal/MT of Urea against the new energy norm of 6.5 GCal/MT of Urea for Group-III plants, is under process for a final decision, the Department of Fertilizers has applied the new energy norms of 6.5 GCal/MT of Urea for subsidy calculation w.e.f. 1st October, 2020 on our Bills and the payments released in the months of August and September, 2021 have appropriated Rs. 75 Crores from our due amounts.

The Company made representation to Hon'ble Minister, Chemicals & Fertilizers and had meetings with Secretary, Fertilizers and on the basis of assurance by Hon'ble Minister and department of Fertilizers, the Company is anticipating that the Subsidy rates would be decided @ around 7.424 GCal/MT by Fertilizer Industry Co-ordination Committee (FICC) for the Financial Year 2021-22. The Company is making continuous efforts in this regard, as a result of which, a Committee has been formed by the Secretary Fertilizer to recommend the energy norms for the Company and the said Committee has submitted its report and the notification fixing the energy norm for subsidy for the Company is expected to be issued shortly. Basis the said estimate, provision for subsidy claim has been recognized at 7.424 GCal/MT of Urea in the books of account.

Material changes and commitments

Except as disclosed elsewhere in this Report, no material changes and commitments have occurred after the end of the Financial Year 2021-22, till the date of this Report, which may affect the financial position of the Company.

Change in the nature of business of the Company

There was no change in the nature of business of the Company during the period under review.

5. CAPITAL STRUCTURE

During the year under Report, there was no change in the Authorized and Paid-up Share Capital of the Company.

As on 31st March, 2022, the Authorized Share Capital of the Company was Rs.1200,00,00,000/- (Rupees Twelve Hundred Crores) divided into 82,50,00,000 (Eighty Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each, 35,00,00,000 (Thirty Five Crores) Convertible Preference Shares of Rs. 10/- (Rupees Ten) each and 2,50,00,000 (Two Crores Fifty Lakhs) Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each. The total Paid-up Share Capital of the Company was Rs. 352,45,72,250/- (Rupees Three Hundred Fifty Two Crores Forty Five Lakhs Seventy Two Thousand Two Hundred And Fifty) comprising of 34,34,57,225 (Thirty Four Crores Thirty Four Lakhs Fifty Seven Thousand Two Hundred Twenty Five) Equity Shares of Rs. 10/- (Rupees Ten) each and 90,00,000 (Ninety Lakhs)

Convertible Preference Shares of Rs. 10/- (Rupees Ten) each.

Subsequent to the year end, 90,00,000 (Ninety Lakhs) Convertible Preference Shares of Rs. 10/- (Rupees Ten) each have been converted into 90,00,000 (Ninety Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each, as per the terms of the issue, by the Board of Directors in its Meeting held on 27th May, 2022.

During the year under Report, your Company has not issued any securities including 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.

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 (KMP)

7.1 APPOINTMENT / RE-APPOINTMENT/ CESSATION

During the Financial Year 2021-22, till the date of the report, the following changes took place in the Directors / KMP of the Company:

- A. Shri Alok Gaur (Whole-time Director designated as Joint Managing Director & CEO) and Shri Ajit Kumar who were appointed as Additional Directors by the Board w.e.f. 29th January, 2021 were regularized as Directors of the Company at the last AGM held on 29th September, 2021.
- B. Shri Devinder Singh Ahuja was appointed as an Additional Director of the Company w.e.f. 28th July, 2021 and was regularized as a Director of the Company at the last AGM held on 29th September, 2021.
- C. Ms. Suman Lata, Company Secretary and one of the Key Managerial Personnel of the Company, had resigned w.e.f. 15th February, 2022. Ms. Ritu Gupta has been appointed as Company Secretary (KMP) by the Board of Directors on the recommendation of Nomination and Remuneration Committee w.e.f. 27th May, 2022.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Manoj Gaur and Shri Anil Mohan, Directors of the Company, would retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

7.2 INDEPENDENT DIRECTORS

A. Declarations

The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 from Shri S.C.K. Patne and Shri K.V. Rajendran, Independent Directors of the Company, confirming that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013. The Independent Directors have also complied with the Code of conduct for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

B. Re-appointment

The current term of 3 years of Shri K.V. Rajendran as an Independent Director is valid upto 2nd May, 2023.

Shri K.V. Rajendran has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and is eligible for re-appointment, as an Independent Director of the Company. The Company has also received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director.

After taking into account his performance evaluation report which has been found to be good and considering the knowledge, skills, acumen, expertise and experience in respective fields and the contribution made by Shri K.V. Rajendran during his tenure as an Independent Director and based on the recommendation of Nomination & Remuneration Committee, the matter of his re-appointment as an Independent Director to hold office for a second term of 5 (five) years effective immediately after expiry of his current term on 2nd May, 2023 i.e. from 3rd May, 2023 till 2nd May, 2028 has been recommended by the Board of Directors to the Members of the Company for their approval at the ensuing Annual General Meeting.

C. Meeting of Independent Directors

As per the provisions of Companies Act read with Schedule IV to the Companies Act, 2013, a meeting of the Independent Directors was held on 11th February, 2022, 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 its duties. The performance of the Chairman, Non-Independent Directors and the entire Board was found to be good.

8. Performance Evaluation

The 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, as reviewed by the Independent Directors in their Meeting held on 11th February, 2022 and based on the recommendation of the Nomination and Remuneration Committee in its Meeting held on 27th May, 2022, as per the Nomination and Remuneration Policy adopted by the Company.

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. It was found that the Board of Directors and its Committees were duly constituted and adequately discharging their functions in terms of the requirements of the Companies Act, 2013. The Board and

its Committees are independent decision making bodies of the Company and once the Board and its Committees reach a decision, it is implemented. Further, during the year under review, the Board and its Committees regularly met and reviewed the financial and other important statements of the Company. The performance of the Board, its Committees and the individual Directors has been good and found to be upto the mark.

Thereafter, the performance of every director was evaluated in his/her absence. The Board expressed its satisfaction over the performance of every Director on the Board of Directors of the Company.

In addition to the criteria of evaluation for all Directors, the Independent Directors were also evaluated on certain additional parameters including exercise of objective independent judgment in the best interest of Company, ability to contribute and monitor corporate governance practices and adherence to the code of conduct by Independent Directors. The performance of Independent Directors was also found to be good.

9. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met five times during the Financial Year 2021-22 on 19th June, 2021, 28th July, 2021, 12th October, 2021, 10th November, 2021 and 11th February, 2022. The Meetings were attended by all the Directors.

The intervening gap between the two Board Meetings did not exceed the prescribed time.

10. COMMITTEES OF THE BOARD

To provide detailed and necessary assistance in the Company's matters, the Board has constituted various 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 conformity with the requirements of Section 177 of the Act read with the relevant rules made thereunder. 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 2021-22, the Audit Committee of the Board of Directors of the Company met four times, on 19th June, 2021, 28th July, 2021, 10th November, 2021 and 11th February, 2022. The Meetings were attended by all the Members.

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	Attended
Shri S.C.K.Patne, Chairman	4	4
Shri K.V. Rajendran, Member	4	4
Shri R.K. Pandey, Member	4	4

All the recommendations made by the Audit Committee to the Board have been duly accepted by the Board.

B. Terms of Reference

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

- i. Oversee 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 or 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);

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

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

II. NOMINATION AND REMUNERATION COMMITTEE

A. Constitution

The constitution of the Nomination and Remuneration Committee is in conformity with the requirements of Section 178 of the Act read with the relevant rules made thereunder.

During the Financial Year 2021-22, the Committee met two times on 19th June, 2021 and 28th July, 2021. The Meetings were attended by all the Members.

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	Attended
Shri K.V. Rajendran, Chairman	2	2
Shri S.C.K. Patne, Member	2	2
Shri S.D. Nailwal, Member	2	2
Shri R.K. Pandey, Member	2	2

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

C. Company' Policy on Directors' appointment and Remuneration

In terms of Section 178(3) of the Companies Act, 2013 read with Rules made thereunder, the Board on the recommendation of Nomination and Remuneration Committee adopted a Nomination & Remuneration Policy which, *inter-alia*, relates to Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided therein. In terms of amendments in various provisions of the Companies Act, 2013, the revised

'Nomination and Remuneration Policy' as approved by the Board of Directors is annexed herewith as **Annexure-I** to this Report and is also available on the website of the Company at www.kfclkanpur.com.

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. Constitution

The constitution of the Corporate Social Responsibility (CSR) Committee is in conformity with the requirements of Section 135 of the Act read with Rules made thereunder.

During the Financial Year 2021-22, the CSR Committee met once on 19th June, 2021. The Meeting was attended by all the Members.

The constitution of the CSR Committee and attendance of the members at its meeting are as under:

Name of Members	Number of Meetings during the year	
	Held	Attended
Shri S.D. Nailwal, Chairman	1	1
Ms. Sunita Joshi, Member	1	1
Shri K.V. Rajendran, Member	1	1

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. Corporate Social Responsibility (CSR) Policy

During the year under Report, in terms of various amendments made in the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, the revised CSR Policy as recommended by the CSR Committee was approved by the Board of Directors of the Company and is available on the website of the Company at www.kfclkanpur.com.

The salient features of the Policy are given below:

1. CSR Vision of the Company and objectives of the Policy
2. Allocation of CSR Funds
3. Constitution of CSR Committee
4. Permitted CSR Activities / Focus Areas as prescribed under Schedule VII to the Companies Act, 2013
5. Planning, implementation and Monitoring
6. Reporting

D. Annual Report on CSR

In terms of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Company was not required to incur any expenditure on CSR activities during the Financial Year 2021-22. However, as part of its commitment towards the society and being a responsible corporate, based on the recommendation of CSR Committee, the Company had spent judiciously an amount of Rs. 26.36 Lakhs on CSR activities.

The information pertaining to the Company's CSR activities

undertaken during Financial Year ended 31st March, 2022 is presented in the prescribed format of Annual Report on CSR as per **Annexure-II** to this Report.

11. 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, 2022, 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 at the end of the Financial Year ended 31st March, 2022 and of the profit 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.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loan, given any guarantee, provided any security or made any investments as prescribed under Section 186 of the Companies Act, 2013.

13. RELATED PARTY TRANSACTIONS

The Company has not entered into any material related party transactions during the financial year, as per the provisions of Section 188 of the Companies Act, 2013 read with rules made thereunder. 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.

Details of all related party transactions which were in the ordinary course of business and at arm's length basis are given as part of notes to the accounts for the Financial Year ended 31st March, 2022. Disclosure of transactions with related parties in terms of Ind AS 24 is set out in Note No. 39 of the Financial Statements.

14. AUDITORS AND AUDITORS' REPORT

A. Statutory Auditors

M/s Sharma Vats & Associates, Chartered Accountants (Firm Registration No. 031486N) were appointed as Statutory Auditors of the Company by the Members in their 11th Annual General Meeting (AGM) held on 29th September, 2021 to hold office for a period of five years i.e. till the

conclusion of 16th AGM of the Company to be held in the year 2026.

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, 2022 does not contain any qualification, reservation or adverse remark. However, the Statutory Auditors have drawn attention of the Members to the following two notes in their report:

- a) Accounting of subsidy @energy of 7.424 GCal/MT of Urea in terms of recommendation of Niti Aayog and verbal assurances by Ministry of Chemicals & Fertilizers whereas Government has notified subsidy @ energy of 6.5 GCal/MT of Urea w.e.f. 1st October, 2020.
- b) Immovable properties of the Company are still in the name of Duncan Industries Limited, whereas as per the approved scheme of BIFR, the mutation should have been done by the Government of Uttar Pradesh in the name of the Company.

The Auditors' Report emphasised on the following matter:

"Ministry of Chemicals & Fertilizers (MoC&F) notified subsidy @ energy of 6.5 GCal/MT of urea w.e.f. 01/10/2020. The Company has protested to MoC & F in view of recommendation of Niti Aayog. The Company has been accounting the subsidy @ energy 7.424 GCal/MT of urea in terms of recommendation of Niti Aayog and assurances by MoC&F.

Further, it is indicated that the auditor's report is not a qualified report in respect of above matter emphasized."

The Board's explanation with respect to above matter:

The Company is making continuous efforts in this regard, as a result of which, a Committee has been formed by the Secretary Fertilizer to recommend the energy norms for the Company and the said Committee has submitted its report and the notification fixing the energy norm for subsidy for the Company at 7.424 GCal/MT of Urea is expected to be issued shortly.

B. Secretarial Auditors

The Board of Directors has re-appointed M/s Anjali Yadav & Associates, Company Secretaries as the Secretarial Auditors to conduct secretarial audit of the Company for the Financial Year ending 31st March, 2023, 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, 2022 is annexed as **Annexure-IV** to this Report.

The Secretarial Audit Report for the Financial Year ended 31st March, 2022 does not contain any qualification, reservation or adverse remark.

C. Cost Auditors

The Board of Directors on the recommendation made by the Audit Committee at its meeting held on 27th May, 2022 has approved the re-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 2022-23 as required under

Section 148(3) of the Companies Act, 2013 read with Rules made thereunder.

The Company has also received the consent from M/s Kabra & Associates, to act as the Cost Auditors for conducting audit of the cost records for the Financial Year 2022-23 along with a certificate certifying their independence and arm's length relationship with the Company. Pursuant to Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors based on the recommendation of Audit Committee is required to be ratified by the Members at the ensuing AGM and has been included in the Notice of the 12th AGM of the Company.

The cost accounts and records have been prepared and maintained properly, as specified under Section 148 of the Companies Act, 2013 read with Rules made thereunder.

D. Internal Auditors

The Board of Directors, on the recommendations made by the Audit Committee at its meeting held on 27th May, 2022, has approved the re-appointment of M/s R. Nagpal Associates, Chartered Accountants (Firm Registration No. 002626N) as the Internal Auditors to conduct the Internal Audit of the Company for the Financial Year 2022-23, as per the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

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

15. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has put in place an adequate system of internal financial controls with reference to its financial statements. Such internal financial controls were operating effectively during the year under report for ensuring orderly and efficient conduct of the business of the Company in all material respects.

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.

16. RISK MANAGEMENT

The Board of Directors is responsible for identifying, evaluating and managing all significant risks and uncertainties that can impact the Company and which may threaten the existence of 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, mitigated and addressed.

17. 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 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 provide adequate safeguards against victimization and to provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases. The Vigil Mechanism is available on the website of the Company at www.kfclkanpur.com.

18. 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.

19. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the Financial Year 2021-22, sale proceeds of fractional shares (pursuant to BIFR Scheme) amounting to Rs. 6,35,875/- were transferred to Investor Education and Protection Fund, as per the provisions of Section 125 of the Companies Act, 2013 read with the relevant Rules made thereunder.

20. 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.

21. COMPLIANCE WITH SECRETARIAL STANDARDS

As per the provisions of Section 118(10) of the Companies Act, 2013, the applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively as issued by ICSI have been/are being duly complied with by your Company.

22. ANNUAL RETURN

In accordance with the provisions of Companies Act, 2013, the Annual Return of the Company, in the prescribed format, is available on the Company's website at www.kfclkanpur.com.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS AND 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 future operations.

24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN 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 Internal Complaints Committee which has been constituted and set up by the Company under the provisions of the aforesaid Act.

25. 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 and top 10 employees of the Company based on remuneration drawn during Financial Year 2021-22 is annexed as **Annexure – VI** to this Report.

Shri Alok Gaur, Joint Managing Director & CEO (Whole-time Director) of the Company has neither received any commission from the Company nor remuneration or commission from any of the Holding Company.

26. APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under Report, Yes Bank Limited ("YBL", financial creditor) had filed an application for initiation of Corporate Insolvency and Resolution Process ("CIRP") under Insolvency and Bankruptcy Code, 2016 against the Company before the Hon'ble National Company Law Tribunal, Allahabad, Uttar Pradesh. However, on receipt of NOCs from State Bank of India ("SBI"), ICICI and India Infrastructure Finance Company Limited ("IIFCL"), YBL has re-aligned/re-structured its loans. The Company has paid interest and principal repayments as per the re-aligned / re-structured schedule. Consequently, YBL has withdrawn the aforesaid application filed before the Hon'ble National Company Law Tribunal, Allahabad, Uttar Pradesh before the end of the Financial Year.

27. DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONGWITH THE REASONS THEREOF

During the Financial Year under Report, the Company has not entered into any one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

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

**For and on behalf of the Board of Directors
Kanpur Fertilizers & Chemicals Limited**

**Place : New Delhi
Date : 27th May, 2022**

**MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)**

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 other than remuneration as such director or having transaction not exceeding ten percent of his total income with

the Company, its holding, subsidiary or associate company, or its promoters or directors, during the two immediately preceding financial years or during the current financial year;

d. None of whose relatives :

- (i) is holding any security of or interest exceeding face value of Rs. 50 Lakhs or two percent of the paid-up share capital in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
- (ii) is indebted to the Company, its holding, subsidiary or associate company or its promoters or Directors, in excess of Rs. 50 Lakhs at any time during the two immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or its promoters, or Directors of such holding company, for Rs. 50 Lakhs at any time during the two immediately preceding financial years or during the current financial year; or
- (iv) has any other pecuniary transaction or relationship with the company, or its holding, subsidiary or associate company amounting to two percent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

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.

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

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 / Independent Director:

4.2.1 The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

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

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee had framed a Policy on Corporate Social Responsibility and the same was adopted by the Board.

CSR activities undertaken by the Company are in line with the philosophy which the Management of the Company follows which encompasses holistic community development, institution-building and sustainability related initiatives.

In line with the applicable provisions of Companies Act, 2013 read with CSR Policy Rules:

- The Company would spend not less than 2% of the average Net Profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013, during the three immediately preceding financial years;
- CSR activities shall be undertaken by the Company, as projects/programs of activities (either new or ongoing) as prescribed under Schedule VII to the Companies Act, 2013 excluding the activities undertaken in pursuance of its normal course of business by the Company;
- CSR Committee may decide to undertake the Activities either by the Company itself or through a registered trust or a registered society or a company established by the Company, or its holding or subsidiary or associate company under Section 8 of the Act or otherwise.

2. Existing composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri S.D. Nailwal	Chairman	1	1
2.	Ms. Sunita Joshi	Member	1	1
3.	Shri K.V. Rajendran	Member	1	1

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : www.kfclkanpur.com
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. : N.A.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : N.A.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
			N.A.

- Average net profit of the Company as per section 135(5) : Negative
- Two percent of average net profit of the Company as per section 135(5) : NIL
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years : N.A.
 - Amount required to be set off for the financial year, if any : NIL
 - Total CSR obligation for the financial year (7a+7b+7c). : NIL
- CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 26.36 Lakhs					N.A.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current Financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	CSR Registration number
				State	District						Name	
N.A.												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Covid Care	Promoting Healthcare	No	Uttar Pradesh	Bulandshahr	10,00,000	Yes	-	-
2	Covid Care	Promoting Healthcare	No	Uttar Pradesh	Bulandshahr	5,00,000	Yes	-	-
3	Covid Care	Promoting Healthcare	Yes	Uttar Pradesh	Kanpur	5,00,000	Yes	-	-
4	Jaypee Institute-SAI advance Covid Care Center	Promoting Healthcare	Yes	Uttar Pradesh	Gautam Buddha Nagar	3,00,000	Yes	-	-
5	Providing Sports Facilities to 15 Anganwadi Center, Kanpur	Training to Promote Rural sports	Yes	Uttar Pradesh	Kanpur	3,36,000	Yes	-	-
TOTAL						26,36,000			

(d) Amount spent in Administrative Overheads : NIL
(e) Amount spent on Impact Assessment, if applicable : NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs.26.36 Lakhs
(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the company as per section 135(5)	NIL
ii.	Total amount spent for the Financial Year	Rs. 26.36 Lakhs
iii.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 26.36 Lakhs
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 26.36 Lakhs

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not Applicable							

KANPUR FERTILIZERS & CHEMICALS LIMITED

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : Not Applicable

- (a) Date of creation or acquisition of the capital asset(s) : N.A.
- (b) Amount of CSR spent for creation or acquisition of capital asset : N.A.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : N.A.

11. Specify the reason (s), if the company has failed to spend two percent of the average net profit as per Section 135 (5) : Not Applicable

Place: New Delhi

Date: 27th May, 2022

SHYAM DATT NAILWAL
(CHAIRMAN, CSR COMMITTEE)
(DIN: 00008529)

ALOK GAUR
JOINT MANAGING DIRECTOR & CEO
(DIN: 00112520)

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 2021-22, which were not at arms' 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	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

There were no material contracts/arrangements/transactions with related parties during the Financial Year 2021-22.

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

Place : New Delhi
Date : 27th May, 2022

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

ANNEXURE – IV

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Kanpur Fertilizers & Chemicals Limited
(Formerly known as Kanpur Fertilizers & Cement Limited)
Sector 128, Noida
Uttar Pradesh- 201304

We, Anjali Yadav, Proprietor of Anjali Yadav & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KANPUR FERTILIZERS &

CHEMICALS LIMITED (CIN: U24233UP2010PLC040828) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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

KANPUR FERTILIZERS & CHEMICALS LIMITED

the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (as amended) ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (as amended) and the Rules made thereunder; **(Not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996 (as amended) and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;(as amended) **(Not applicable to the Company during the audit period)**
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(as amended) **(Not applicable to the Company during the audit period)**
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(as amended) **(Not applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;(as amended) **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme, Employee Stock Purchase Scheme) Guidelines, 1999 and 'Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (as amended); **(Not applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021; (as amended) **(Not applicable to the Company during the audit period)**
 - (g) ²The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (as amended) **(Not applicable to the Company during the audit period)**
 - (h) ³The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (as amended) **(Not applicable to the Company during the audit period)**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (as amended) **(Not applicable to the Company during the audit period)**

However, the Company being an unlisted company, SEBI regulations provided in footnotes are not applicable to the company during the year under review.

- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (as amended)
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (as amended) **(Not applicable to the Company during the audit period)**
- (l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (as amended) **(Not applicable to the Company during the audit period)**
- (m) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (as amended)
- (vi) We further report that Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of quarterly certificates submitted to the Board of Directors of the Company.

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

- (i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- (ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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

We further report that:

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit as the same has been subject to review by the Statutory Auditors and others designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, 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 notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to all the Directors 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 the Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Board of Directors or Committee of the Board, as the case may be.

We further report that, based on the review of the compliance reports and the certificates of the Company Executive taken on record by the Board of Directors of the Company, in our opinion

Footnotes:

1. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI (Issue of Sweat Equity) Regulations, 2002 (as amended) have been merged into The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021; (as amended).
- 2&3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (as amended) have been merged into Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (as amended) provided at point (i) to the report.

there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- (i) Mr. Ajit Kumar (DIN:07774104) was regularized as a Non-Executive Director of the company w.e.f. 29th September, 2021.
- (ii) Mr. Alok Gaur (DIN:00112520) was regularized as a director of the company w.e.f. 29th September, 2021 and his appointment as Whole-time Director & CEO (to be designated as Joint Managing Director & CEO) has also been approved by the shareholders on 29th September, 2021
- (iii) Mr. Devinder Singh Ahuja (DIN:07687173) was appointed as an Additional Director of the company w.e.f. 28th July, 2021 and later on Mr. Devinder Singh Ahuja (DIN:07687173) was regularized as a Non-Executive Director of the company w.e.f. 29th September, 2021.
- (iv) Ms. Suman Lata (PAN: ABLPL2834P) had tendered her resignation from the post of Company Secretary w.e.f. 15th February, 2022.
- (v) The Company has obtained the approval/No objection certificate dated 3rd March 2022 from Yes Bank Limited, the concerned Lender, for payment of remuneration to the following Whole-Time / Managing Directors:
 1. Shri A.K. Jain (DIN:01731920), the then Whole-time Director (designated as Vice Chairman and CEO) of the Company, for the period from 01.04.2019 till 13.06.2020.
 2. Shri Gaurav Jain (DIN. 01102024), the then Whole-time Director of the Company, for the period from 01.04.2019 till 27.05.2020.
 3. Shri Alok Gaur (DIN: 00112520), Whole-time Director (designated as Joint Managing Director & CEO) of the Company from the date of his appointment i.e., 1st February, 2021 onwards.

Subsequent approval of Shareholders (by way of special Resolution) will be obtained in the ensuing Annual General Meeting, as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

- (vi) Yes Bank Limited ("YBL", financial creditor) had filed an application for initiation of Corporate Insolvency and Resolution Process ("CIRP") under Insolvency and Bankruptcy Code, 2016 against the Company before the Hon'ble National Company Law Tribunal, Allahabad, Uttar Pradesh. However, on receipt of NOCs from State Bank of India ("SBI"), ICICI and India Infrastructure Finance Company Limited ("IIFCL"), fresh documentation of re-aligned/re-structured loans of YBL was completed and subsequently, the Company has paid interest and principal repayments as per the re-aligned /re-structured schedule. Consequently, YBL has withdrawn the aforesaid application filed before the

Hon'ble National Company Law Tribunal, Allahabad, Uttar Pradesh.

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.

**For Anjali Yadav & Associates
Company Secretaries**

**Place: New Delhi
Date: 27.05.2022
UDIN: F006628D000401649**

**Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
PR: 629/2019**

Annexure - A

**To,
The Members,
Kanpur Fertilizers & Chemicals Limited
Sector 128, Noida
Uttar Pradesh- 201304**

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 process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records, cost records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
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 procedure on test check 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 Anjali Yadav & Associates
Company Secretaries**

**Place: New Delhi
Date: 27.05.2022
UDIN: F006628D000401649**

**Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
PR: 629/2019**

(A) CONSERVATION OF ENERGY
(i) Steps taken or impact on conservation of energy

S. No.	Steps	Investment (Rs. in Lakhs)
1	Replacement of Air Cooler fans with higher efficiency fans.	24
2	Replacement of Cooling tower fans with Higher efficiency fans	16
3	Replacement of CW pumps by higher efficiency pumps thus saving electrical energy.	35
4	Installation of 12 KW grid connected to solar roof top power plant. STATUS: Solar panels have already been installed at site but commissioning is pending. Inverter is expected in FY 22-23.	0.88
5	Installation of variable frequency drive(VFD) in ID fan of steam generation plant STATUS: The previous order for motor cancelled because it failed in testing. Order is given to other party and it is likely to be implemented in FY22-23.	30

(ii) Steps taken by the company for utilising alternate sources of energy

S. No.	Steps	Investment (Rs. in Lakhs)
1	Installation of steam turbine for driving BFW pump in Ammonia 3 plant.	15

(iii) Capital investment on energy conservation equipments: Refer Point (i)
(B) TECHNOLOGY ABSORPTION

(i)	Efforts made towards technology absorption;	Mechanical spares of Urea plant CO2 comp, Amm injector, HP carbamate pump, Centrifuge and Ammonia plant Syn gas comp spares procured/developed indigenously
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution;	Rs.1,66,27,849/- savings in FY 21-22
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NONE
	(a) Details of technology imported	NONE
	(b) Year of import	NONE
	(c) Whether the technology been fully absorbed	NONE
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	Expenditure incurred on Research and Development	NIL

(C) DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

Sl. No.	Particulars	2021-22 (Rs. In lakhs)	2020-21 (Rs. In lakhs)
a)	Earnings	NIL	NIL
b)	Outgo	1145.51	51.35

For and on behalf of the Board of Directors

Place: New Delhi
Date: 27th May, 2022

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

ANNEXURE - VI

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 2021-22

(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 ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	11,243,853.00	B.E. (ELECT.)	39	01.02.2021	59	JAYPEE CEMENT CORPORATION LIMITED	Nil
2	SHRI SUDHIR RANA	SENIOR VICE PRESIDENT & CFO	4,034,266.57	C.A.	35	01.11.2014	60	SANGAM POWER GENERATION COMPANY LIMITED	Nil
3	SHRI VINOD KUMAR	SENIOR JOINT PRESIDENT	3,889,803.60	M. PHIL	42	01.05.2020	63	JAIPRAKASH ASSOCIATES LIMITED	Nil
4	SHRI PRATEEK OM	VICE PRESIDENT	3,559,507.50	B.E. (ELECT & ELECTRONICS))	29	10.07.2020	58	JAIPRAKASH POWER VENTURES LIMITED	Nil
5	SHRI RAJENDRA SWARUP	PRESIDENT	3,427,200.00	B. TECH (CHEMICAL)	46	01.10.2019	68	JAYPEE FERTILIZERS & INDUSTRIES LIMITED	Nil
6	SHRI AMITAVA CHANDRA	VICE PRESIDENT	2,793,550.00	B.Sc. (Eng) & MBA	38	24.02.2020	60	PRAYAGRAJ POWER GENERATION COMPANY LIMITED	Nil
7	SHRI MUKESH KUMAR	GENERAL MANAGER	2,578,731.62	ICWA	27	01.08.2020	51	BHILAI JAYPEE CEMENT LIMITED	Nil
8	SHRI RAJEEV GUPTA	VICE PRESIDENT	2,462,800.00	MBA (Marketing)	27	01.10.2019	53	JAYPEE FERTILIZERS & INDUSTRIES LIMITED	Nil
9	SHRI SHASHANK JAIN	CHIEF GENERAL MANAGER	2,439,600.00	B.E. (ELECTRONICS)	27	01.11.2015	52	JAIPRAKASH ASSOCIATES LIMITED	Nil
10	SHRI UMESH KUMAR	GENERAL MANAGER	2,366,400.00	AMIE (CHEMICAL)	48	01.10.2019	69	JAYPEE FERTILIZERS & INDUSTRIES LIMITED	Nil

B) Name of the employees working throughout the Financial Year 2021-22 and in receipt of remuneration not less than Rs.1,02,00,000/- per annum and working for part of the Financial Year 2021-22 and in receipt of remuneration not less than Rs. 8,50,000/- per month.

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 ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	11,243,853.00	B.E. (ELECT.)	39	01.02.2021	59	JAYPEE CEMENT CORPORATION LIMITED	Nil

NOTES:

- 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.
- Information about qualifications and last employment is based on particulars furnished by the concerned employee.
- The whole-time Director designated as Joint Managing Director & CEO either by himself or along with his spouse and dependent children do not hold two percent or more of the equity shares of the Company.
- 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.

- The other terms & conditions of each of the above persons are as per the contract/letter of appointment/resolution and rules of the Company.
- None of the above employee is a relative of any of the Directors of the Company .

For and on behalf of the Board of Directors

MANOJ GAUR
(CHAIRMAN)
(DIN: 00008480)

Place: New Delhi
Date: 27th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kanpur Fertilizers & Chemicals Limited

Opinion

We have audited the accompanying financial statements of **Kanpur Fertilizers & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2022, 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 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	<p>Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy</p> <p>I. During the FY 2021-22, company recognized the total subsidy of Rs. 2169.03 crores on sale of Urea, Natural Gas and Freight. Accuracy of revenue may deviate significantly because revision in the notified rates and change in final estimates w.r.t escalation/de-escalation of cost.</p> <p>II. The subsidy due from Government of India at the end of FY 2021-22 stood at Rs. 779.02 crores. During the FY 2020-21, the company received Rs. 2514.09 crores as subsidy on account of urea, Freight and Natural Gas. Given the size of amount 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.</p>	<p>Our procedures included the following:</p> <ol style="list-style-type: none"> 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	Auditor's Response
		<p>4. Reviewed 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.</p> <p>5. 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.</p> <p>6. Reviewed and tested the aging 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.</p>

Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity, 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 skepticism throughout the audit. We also:

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

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

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

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

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

Other Matters:

Ministry of Chemicals & Fertilizers (MoC&F) notified subsidy @ energy of 6.5 GCal/Ton of urea w.e.f. 01/10/2020. The company has protested to MoC&F in view of recommendation of Niti Aayog. The company has been accounting the subsidy @ energy 7.424 GCal/Ton of urea in term of recommendation of Niti Aayog and assurances by MoC&F.

Further, it is indicated that the auditor report is not a qualified report in respect of above matter emphasized.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being

appointed as a director in terms of Section 164 (2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- In our opinion and to the best of our information and according to the explanations given to us, remuneration has been paid by the Company to its directors during the year in accordance with the provisions of section 197 read with Schedule V to the Act.

The Company has obtained the approval/No objection certificate dated 3rd March 2022 from Yes Bank Limited, the concerned Lender, for payment of Managerial remuneration. Subsequent approval of Shareholders (by way of special Resolution) will be obtained in the ensuing Annual General Meeting.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. - Refer Note 39 to the Ind AS financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - The Company is not required to transfer any amount to the Investor Education and Protection Fund.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N

(CA Manoj Vats)
Partner
M.NO. 527922
Date- 27/05/2022
Place- NEW DELHI
UDIN- 22527922AJVALP5131

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report 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 Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

KANPUR FERTILIZERS & CHEMICALS LIMITED

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.

Inherent 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, 2022, 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 Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N

(CA Manoj Vats)
Partner
M.NO. 527922
Date- 27/05/2022
Place- NEW DELHI
UDIN- 22527922AJVALP5131

ANNEXURE "B" referred to in paragraph 2 of our report of even date to the members of Kanpur Fertilizers & Chemicals Limited on the accounts of the Company for the year ended 31st March 2022.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Intangible Assets.

- (b) A substantial portion of the Property, Plant and Equipment have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, 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.

Description of property	Gross carrying value (Rs. In Lakhs)	Asset held in name of	Whether held in name of promoter, director or their relative or employee	Period during which it was not held in name of the Company	Reason for not being held in name of company
Land – Parbati Bagla Road, Kanpur	24,343.87	Duncans industries Ltd	No	w.e.f 24.01.2012	Pursuant to Transfer of Land in terms of Para 4 and Para 5, Para II of Annexure A of approved Scheme of BIFR dated 16.01.2012
Land – 56 cantonment, Kanpur Road, Kanpur					
Land - Cee Kay Estate Udyog Vihar Industrial Area, Panki, Kanpur					

- (d) The Company has not revalued its properties, plant and equipment; therefore, the Clause 3(i)(d) is not applicable.
- (e) As informed, the Company, no proceedings have been initiated or are pending against the company

for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, therefore the Clause 3(i)(e) is not applicable.

- (ii) (a) As explained to us, the inventories were physically

verified during the year by the Management and no material discrepancies were noticed on such physical verification.

- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Therefore, reporting under clause (v) of CARO 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. The cost audit report for the FY 2021-22 was yet to be concluded at the time of submission of our report.

- (vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us there are no dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, GST, Excise Duty and cess which have not been deposited on account of any dispute.
- (c) As Details of dues of Income Tax and Goods and Services Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

Name of the Statute	Nature of dues	Amount of Demand (Rs. in Lakhs)	Financial Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Penalty	35.45	2011-12	ITAT
Income Tax Act, 1961	Income Tax and Penalty	292.00	2012-13	ITAT (for Income Tax) Penalty (CIT Appeals)
CGST Act, Bihar GST Act and IGST Act	GST and Interest	138.79	2019-20	Assistant Commissioner of Central Tax

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks at the end of the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority at the end of the year.
- (c) The Company has applied term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements

of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations

- given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.
- (xvii) The company has not incurred cash loss during the current year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N

(CA Manoj Vats)
Partner
M.NO. 527922
Date- 27/05/2022
Place- NEW DELHI
UDIN- 22527922AJVALP5131

BALANCE SHEET AS ON 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Note No	As on 31st March, 2022	As on 31st March, 2021
Assets			
Non Current Assets			
Property, Plant and Equipment	4	67,395	74,436
Financial Assets			
Other Financial Assets	5	1,912	2,505
Other Non Current Assets	6	3,783	3,697
		73,090	80,638
Current Assets			
Inventories	7	5,837	7,187
Financial Assets			
Trade Receivable	8	78,284	29,160
Cash and Cash Equivalents	9	5,459	19,178
Bank Balance other than above	10	1,013	1,000
Other Financial Assets	11	14,782	9,414
Other Current Assets	12	5,268	4,085
		110,643	70,024
		183,733	150,662
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	34,346	34,346
Other Equity	14	45,717	43,607
		80,063	77,953
Non Current Liabilities			
Financial Liabilities			
Borrowing	15	13,976	7,862
Other Financial Liabilities	16	1,420	1,157
Provisions	17	275	292
Deferred Tax Liabilities (Net)	18	1,778	2,727
		17,449	12,038
Current Liabilities			
Financial Liabilities			
Borrowings	19	5,510	15,985
Trade payables	20		
Total outstanding dues of creditors other than MSME		56,848	32,946
Total outstanding dues of MSME		620	298
Other Financial Liabilities	21	22,204	10,700
Other Current Liabilities	22	853	628
Provisions	23	96	99
Current Tax Liabilities(Net)	24	90	15
		86,221	60,671
Total		183,733	150,662

Summary of Significant Accounting Policies &

Notes to the Financial Statements

“1” to “39”

For Sharma Vats & Associates

For and on behalf of the Board

Chartered Accountants

Registration No. 031486N

(Manoj Kumar Vats)

Partner

M. No. 527922

Manoj Gaur

Chairman

(DIN : 00008480)

Place: New Delhi

(Ritu Gupta)

Sudhir Rana

(Alok Gaur)

Dated : 27.05.2022

Company Secretary
ACS-20334

Chief Financial Officer

Jt. MD & CEO
DIN: 00112520

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Note No	Quarter Ended 31.03.2022 (Audited)	Quarter Ended 31.03.2021 (Audited)	Quarter Ended 31.12.2021 (Subject to LR)	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
Revenue From Operations	25	72,368	45,642	70,690	258,798	189,189
Other Income	26	93	84	65	414	277
Total Income		72,461	45,726	70,755	259,212	189,466
Expenses						
Cost of Materials Consumed	27	49,200	28,091	49,318	177,419	112,442
Purchases of Stock-in-Trade	28	646	108	2,314	4,038	3,219
Changes in Inventories of Finished Goods & Work-in-Progress	29	1,745	(1,049)	(1,058)	1,298	(185)
Employee Benefits Expense	30	1,218	1,166	1,131	4,483	4,688
Finance costs	31	1,364	4,161	1,691	6,116	14,081
Depreciation and amortization Expense	32	2,790	1,799	1,805	8,264	7,300
Other expenses	33	15,037	12,048	13,406	56,445	54,060
Total Expenses		72,000	46,324	68,607	258,063	195,605
Profit Before Exceptional Items and Tax		460	(598)	2,148	1,149	(6,138)
Exceptional Items [Net]	34	17	356	-	(4)	(150)
Profit Before Tax		443	(954)	2,148	1,153	(5,988)
Tax Expense:	35					
(1) Current Tax		83	-	119	203	-
(2) Adjustment for prior periods Tax		-	2	-	-	2
(3) Mat Credit Entitlement		(83)	(2)	(119)	(203)	(2)
(4) Deferred Tax		(1,627)	231	853	(953)	(1,336)
Total Tax Expenses		(1,627)	231	853	(953)	(1,336)
Profit/(Loss) for the Period		2,070	(1,185)	1,294	2,106	(4,652)
Other Comprehensive Income						
Items that Will Not be Reclassified to Profit or Loss						
Re-measurement gains/ (losses) on defined benefit plans (net)		1	26	18	6	26
Income Tax		(0)	(9)	(6)	(2)	(9)
Total Other Comprehensive Income		1	17	12	4	17
Total Comprehensive Income for the Period		2,072	(1,168)	1,306	2,110	(4,635)
Paid Up Equity Share Capital (Rs. In Cr.)		343	343	343	343	343
Face Value per share		10	10	10	10	10
Earnings per Equity Share	36					
(1) Basic		0.60	(0.35)	0.38	0.61	(1.41)
(2) Diluted		0.59	(0.35)	0.37	0.60	(1.32)

Summary of Significant Accounting Policies &

Notes to the Financial Statements

"1" to "39"

For Sharma Vats & Associates

Chartered Accountants

Registration No. 031486N

(Manoj Kumar Vats)

Partner

M. No. 527922

Place: New Delhi

Dated : 27.05.2022

(Ritu Gupta)
Company Secretary
ACS-20334

Sudhir Rana
Chief Financial Officer

For and on behalf of the Board

Manoj Gaur
Chairman
(DIN : 00008480)

(Alok Gaur)
Jt. MD & CEO
DIN: 00112520

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

Cash Flow Statement	2021-22	2020-21
A Cash Flows From Operating Activities		
Profit For the Year	1,153	(5,989)
Adjustments For:		
- Exceptional Items (Net)	(4)	(152)
- Depreciation	8,264	7,300
- Interest and Finance Charges	6,116	14,082
- Interest Income on Fixed Deposits	(356)	(261)
Operating Profit Before Working Capital Changes	15,173	14,980
Adjustments for :		
- (Increase) / Decrease in Inventories	1,350	(422)
- (Increase) / Decrease in Trade Receivables	(49,144)	(103,806)
- (Increase) / Decrease in Other Financial Assets	(5,347)	(4,745)
- (Increase) / Decrease in Other Current Assets	(1,182)	(72)
- Increase / (Decrease) in Trade Payables	24,248	(0)
- Increase / (Decrease) in Other Current Liabilities	223	(356)
- Increase / (Decrease) in Other Financial Liabilities and Provision	10,972	(0)
- Change in Other Assets	117	(99)
Cash Generated From Operations	(3,589)	82,087
- Income Tax Refund/ (Paid)	(127)	(29)
Net Cash Flow Generated From Operating Activities	(3,715)	82,057
B Cash Flow From Investing Activities		
- Additions To PPE And Intangible Assets	(1,225)	(53)
- Proceeds From Sale/ Disposal Of Property, Plant And Equipment	2	1
- Interest Received	326	326
- Investment In Fixed Deposit	586	(777)
Net Cash Flows (Used In) Investing Activities	(311)	(504)
C Cash Flow From Financing Activities		
- Proceeds/(Repayments) of Share Capital	-	-
- Proceeds/(Repayments) of Long Term Borrowings	6,113	(3,765)
- (Repayments Of) / Proceeds From Short Term Borrowings (Net)	(10,474)	(47,108)
- Interest And Finance Charges Paid	(5,333)	(12,897)
Net Cash Flows (Used In)/ Generated From Financing Activities	(9,694)	(63,770)
Net Change In Cash And Cash Equivalents (A+B+C)	(13,720)	17,783
Cash And Cash Equivalents- Opening Balance	19,179	1,395
Cash And Cash Equivalents- Closing Balance	5,459	19,178
Notes To Cash Flow Statement:		
Cash And Cash Equivalents Include :		
Cash on Hand	14	7
Balances with Banks	5,445	19,172
Cash And Cash Equivalents At The End Of The Year [Refer Note No 9]	5,459	19,178

Summary of Significant Accounting Policies &

Notes to the Financial Statements

"1" to "39"

For Sharma Vats & Associates

For and on behalf of the Board

Chartered Accountants

Registration No. 031486N

(Manoj Kumar Vats)

Partner

M. No. 527922

Manoj Gaur

Chairman

(DIN : 00008480)

Place: New Delhi

Dated : 27.05.2022

(Ritu Gupta)

Company Secretary

ACS-20334

Sudhir Rana

Chief Financial Officer

(Alok Gaur)

Jt. MD & CEO

DIN: 00112520

KANPUR FERTILIZERS & CHEMICALS LIMITED

Statement of Changes in Equity For the Year Ended 31st March, 2022

Equity

Particulars

a. Equity share capital

Balance as at 31st March 2021 (₹ in Lakhs) 34,346

Equity Share Issued During the period -

Balance as at 31st March, 2022 34,346

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, 2021	900	42,383	136	188	43,606
Profit For the Year	-	-	2,107	-	2,107
Remeasurement of Defined Benefit Liability(Net of Tax)	-	-	-	4	5
Changes During The Year	-	-	-	-	-
Balance as at 31st March, 2022	900	42,383	2,243	192	45,718

Summary of Significant Accounting Policies &

Notes to the Financial Statements

"1" to "39"

For Sharma Vats & Associates

For and on behalf of the Board

Chartered Accountants

Registration No. 031486N

(Manoj Kumar Vats)

Partner

M. No. 527922

Manoj Gaur

Chairman

(DIN : 00008480)

Place: New Delhi

Dated : 27.05.2022

(Ritu Gupta)

Company Secretary

ACS-20334

Sudhir Rana

Chief Financial Officer

(Alok Gaur)

Jt. MD & CEO

DIN: 00112520

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2022

Note No."1" Nature of Operations

Kanpur Fertilizers & Cement Limited (KFCL) was incorporated on 31st May 2010. The name of the Company was changed to Kanpur Fertilizers & Chemicals Limited w.e.f. 09th December, 2019. 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 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 of financial statements

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 amortized 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 recognized 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 recognized 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. The useful lives of the property, plant and equipment are as follows:

Assets	Useful Lives
Building	60 Years
Plant and Machinery	8-25 years
Vehicle	8 - 10 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 asset 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 treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on 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 life from 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 realisable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing them to their present location & condition.

Catalyst is valued at depreciated cost on the basis of amortization over their estimated useful lives five years as technically assessed.

Net realisable 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

i. Sale of Goods

1. 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 supersedes 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.

ii. Interest Income

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.

iii. Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

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 judgment 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 recognizes 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 recognized 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 judgments 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 judgment 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.

I. 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 realization 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, maximizing 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 are potentially 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 can be classified into two categories, one is from the customers into the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is Nil. For market receivables from the customers, the company extends credit to customers in normal course of business. The company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored.

The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

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 Mar, 2021	24,344	8,349	88,161	802	393	14	185	24	143	423	284	123,123
Additions			1,194	8	4	6	1	-	-	-	12	1,225
Disposals/Discard					-	-	-	-	3	-	-	3
As at 31st March, 2022	24,344	8,349	89,355	810	397	20	186	24	140	423	296	124,345
Accumulated Depreciation												
As at 31st March, 2021	-	2,071	45,175	611	258	10	98	12	79	193	180	48,687
Charge for the year		304	7,799	12	33	0	35	2	12	28	38	8,264
Disposals/Discard					-	-	-	-	1	-	-	1
As at 31st March, 2022	-	2,375	52,975	623	291	10	133	15	90	221	218	56,950
Net Block(As at 31st March, 2021)	24,344	6,278	42,986	192	135	4	87	12	64	231	104	74,436
Net Block(As at 31st March, 2022)	24,344	5,974	36,380	188	106	9	53	10	50	202	78	67,394

(Rs. in Lakhs)

Particulars	As on 31st March, 2022	As on 31st March, 2021
NOTE No. "5"		
Other Financial Assets		
Bank Deposits With More Than 12 Months Maturity *	151	751
Security Deposit	1,609	1,611
Other Receivables	151	143
* Pledged as margin with banks against LC/ BGs & DSRA	1,911	2,505
NOTE No. "6"		
Other Non-Current Assets		
Prepaid Expenses	5	6
Tax Assets (Net)		
Advance Tax	724	724
Tax Deducted at Source	143	259
MAT Credit Entitlement	2,910	2,708
	3,782	3,697

(Rs. in Lakhs)

Particulars	As on 31st March, 2022	As on 31st March, 2021
NOTE No. "7"		
Inventories		
Raw Materials	222	395
Work in Progress	1,101	1,218
Finished Goods	596	62
Finished Goods In Transit	-	1,715
Stores & Spares	3,221	3,314
Catalyst	697	483
	5,837	7,187
NOTE No. "8"		
Trade Receivables		
Others (Unsecured, Considered Good)	78,847	29,160
Less : Provision for Bad & Doubtful Debts	563	-
	78,284	29,160

Ageing analysis of trade receivables As on 31.03.2022

(Rs. in Lakhs)

Particulars	Less Than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More Than 3 Years	Total
a) Undisputed Trade receivables- Considered Good	50,472	22,610	4,842	-	280	78,204
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	3	78	80
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	50,472	22,610	4,842	3	358	78,284

KANPUR FERTILIZERS & CHEMICALS LIMITED

Ageing analysis of trade receivables As on 31.03.2021

(Rs. in Lakhs)

Particulars	Less Than 6 Months	6 Months-1 Years	1-2 Years	2-3 Years	More Than 3 Years	Total
a) Undisputed Trade receivables- Considered Good	20,757	7,458	-	-	287	28,502
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	3	65	590	658
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	20,757	7,458	3	65	877	29,160

NOTE No. "9"

Cash and Cash Equivalents

Balance with Banks	4,173	4,633
Term Deposit Account with Maturity of Less Than Three Months *	1,272	14,538
Cash in Hand	14	7
* Pledged as margin with banks against LC/BGs & DSRA	5,459	19,178

NOTE No. "10"

Other Bank Balances

Deposits with Maturity for more than 3 months but Less than 12 months *	1,013	1,000
* Pledged as margin with banks against LC/BGs & DSRA	1,013	1,000

NOTE No. "11"

Other Financial Assets

Accrued Interest Receivable	96	67
Other Receivables	17	6
Related Party	14,669	9,341
	14,782	9,414

NOTE No. "12"

Other Current Assets

Prepaid Expenses	277	239
Advances to Vendors	732	660
GST/VAT Receivable	4,258	3,186
	5,267	4,085

(Rs. in Lakhs)

NOTE No. "13"

	As on 31st March, 2022	As on 31st March, 2021
Equity Share capital		
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
	120,000	120,000
Issued, subscribed and paid up capital		
Equity Share Capital		
34,34,57,225 (Previous period 34,34,57,225) Shares of Rs. 10/- each fully paid up	34,346	34,346
Preference Share Capital		
90,00,000 (Previous period 90,00,000) Shares of Rs. 10/- each fully paid up	900	900

Details of Shareholders	As on 31st March,2022			As on 31st March,2021		
Equity Shares	No. of equity shares held	% of total shares	% Change during Year	No. of equity shares held	% of total shares	% Change during Year
Jaypee Uttar Bharat Vikas Private Limited (Inclusive of shares held by nominees)						
Opening Balance	200,050,000	58.25%	-	200,050,000	58.25%	-
Acquired/Converted during the year	-	-	-	-	-	-
Closing Balance	200,050,000	58.25%	-	200,050,000	58.25%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	117,982,549	34.35%	-	65,482,549	19.07%	-
Acquired/Converted during the year	-	-	-	52,500,000	15.28%	44.50%
Closing Balance	117,982,549	34.35%	-	117,982,549	34.35%	-
Mahabhadra Constructions Limited						
Opening Balance	25,000,000	7.28%	-	25,000,000	7.28%	-
Acquired/Converted during the year	-	-	-	-	-	-
Closing Balance	25,000,000	7.28%	-	25,000,000	7.28%	-
Preference Shares						
Jaypee Fertilizers & Industries Limited						
Opening Balance	9,000,000	100%	-	61,500,000	100.00%	-
Acquired/Converted during the year	-	-	-	52,500,000	85.36%	-
Closing Balance	9,000,000	100%	-	9,000,000	100.00%	-

Reconciliation of No. of Shares Outstanding	As on 31st March,2022	As on 31st March, 2021
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	343,457,225	290,957,225
Equity Shares Issued During the Year	-	52,500,000
Outstanding at the End of the Year	343,457,225	343,457,225
Preference Share		
Preference Shares Outstanding at the Beginning of the Year	9,000,000	61,500,000
Preference Shares converted to Equity Shares During the Year	-	52,500,000
Outstanding at the End of the Year	9,000,000	9,000,000

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 preferential payments.

The Paid up Equity Share Capital of the Company is held by Jaypee Uttar Bharat Vikas Private Limited (Holding Company-58.25%) including 50,000 Equity Shares as nominee of the Company, Jaypee Fertilizers & Industries Limited (34.351%) and Mahabhadra Constructions Limited (7.279%).

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.

Preference Shares

90,00,000 10% Compulsorily Convertible Preference shares (CCPS) of Kanpur Fertilizers & Chemicals Limited held by Jaypee Fertilizers & Industries Limited (JFIL) were allotted on 31st July 2017 and shall be convertible to Equity as per terms of allotment on 30th July 2022.

KANPUR FERTILIZERS & CHEMICALS LIMITED

(Rs. in Lakhs)

NOTE No. "14"	As on 31st March, 2022	As on 31st March 2021
Other Equity		
(i) Equity Component of Financial Instrument		
Opening Balance	900	6,150
Addition during the Year	-	-
Less Conversion During the Year	-	5,250
Closing Balance	900	900
(ii) Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	137	4,789
Profit / (Loss) for the year	2,106	(4,652)
Closing Balance	2,243	137
(b) Security Premium Reserve		
Opening Balance	42,383	42,383
Addition during the Year	-	-
Closing Balance	42,383	42,383
Total Reserve & Surplus	44,626	42,520
iii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		C
Opening Balance	188	171
Addition/Deduction during the Year	4	17
Closing Balance	192	188
Total Other Equity	45,718	43,607

NOTE No. "15"

Borrowings

Secured

Term Loans

From Banks - Yes Bank Ltd. (YBL).*	10,577	917
From Financial Institutions - India Infrastructure Finance Company Limited (IIFCL) (EIR - 13.18%)	3,399	6,945
	13,976	7,862

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

* The account of Company with Yes Bank Limited, which had become NPA in September, 2019, has since become regular after approval of realignment/ restructuring plan by Yes Bank Limited and other lenders viz. State Bank of India, ICICI Bank Limited and India Infrastructure Finance Company Limited (IIFCL). Refer Note 40 for the details of realignment / restructuring of the existing Term Loan and Working Capital Facilities by Yes Bank Limited.

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

i) IIFCL - The repayment as per the original sanctioned terms was scheduled in 48 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR + 3 % (currently 13.75%). Basis the revised approved accelerated prepayment of the loan, 10 additional quarterly payments (3 quarters in an year) of Rs 5,00/- Lacs starting from March 2020 are being made along with the original scheduled principal repayments and accordingly the loan is expected to be fully repaid in December, 2024, ahead of its original scheduled repayment in March 2027. The amount outstanding as at 31.03.2022 is Rs 54,40 Lacs (Previous Year - Rs. 90,08 Lacs).

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 (6,00,15,000 shares) & shortfall undertaking of Jaiprakash Associates Limited.

ii) YBL - YBL has restructured / realigned its term loan vide facility letter no YBL/DEL/FL/1513/2020-2021 dated 27.03.2021 and adendum no. YBL/DEL/FL/1301/2021-22 dated 17.02.2022. The rate of interest is 0.10% + Bank's one year MCLR (currently 8.60%). The loan is repayable in 19 structured instalments starting March, 2021 and ending on 31st March, 2030. The loan is secured by way of second pari passu charge on movable and immovable fixed assets; both present and future, of the Company. The Company has paid interest and instalments due upto 31st March, 2022. The amount outstanding as on 31.03.2022 is Rs.105,95 Lacs (Previous Year Rs.107,79 Lacs).

NOTE No. "16"

(Rs. in Lakhs)

Other Financial Liabilities

Security and Other Deposits

1,420	1,157
1,420	1,157

NOTE No. "17"

Long Term Provisions

Provision for Employee Benefit

Gratuity

163 183

Leave Encashment

112 109

275	292
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NOTE No. "18"

Deferred Tax Assets

On account of property, plant & equipment

- -

Provision for Leave encashment ,Gratuity & Bonus

129 148

Brought Forward Losses & Unabsorbed Depreciation

2,299 2,217

Deferred Tax Liabilities

Difference in book depreciation and tax depreciation

4,205 5,092

Net Deferred Tax Assets/(Liability)

1,778 2,727

Movement in deferred tax balances

(Rs. in Lakhs)

31st March 2022				
Particulars	Net Balance April 1, 2021	Recognised in P & L	Recognised in OCI	Net Balance Mar 31, 2022
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(5,092)	887	-	(4,205)
Provision for Leave encashment ,Gratuity & Bonus	148	(16)	(2)	129
Brought Forward Losses & Unabsorbed Depreciation	2,217	82	-	2,299
Net Deferred Tax Assets/(Liabilities)	(2,727)	953	(2)	(1,778)
March 31, 2021				
Particulars	Net Balance April 1, 2020	Recognised in P & L	Recognised in OCI	Net Balance Mar 31, 2021
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(5,617)	525	-	(5,092)
Provision for Leave encashment & Gratuity	167	(11)	(9)	148
Brought Forward Losses & Unabsorbed Depreciation	1,394	823	-	2,217
Net Deferred Tax Assets/(Liabilities)	(4,056)	1,337	(9)	(2,727)

NOTE No. "19"

Borrowings

From Banks (Secured)

Yes Bank Ltd (YBL)

3,480 4,110

3,480 4,110

Current Maturities of Long-Term Debt (Secured, Considered Good)

India Infrastructure Finance Company Limited

2,012 2,012

Yes Bank Ltd.

18 9,863

2,030	11,875
5,510	15,985

KANPUR FERTILIZERS & CHEMICALS LIMITED

- i) A consortium of Banks comprising State Bank of India and ICICI Bank has sanctioned working capital facilities of Rs.340,00 Lacs (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) YBL - YBL has restructured / realigned its overdraft facility vide facility letter no YBL/DEL/FL/1513/2020-2021 dated 27.03.2021 and addendum no. YBL/DEL/FL/1301/2021-22 dated 17.02.2022. The rate of interest is 0.30% + Bank's one year MCLR (currently 8.50%). The overdraft is repayable in 19 structured instalments starting March, 2021 and ending on 31st March, 2030. The loan is secured by way of first pari passu charge on current assets; both present and future, of the Company. The Company has paid interest and instalments due upto 31st March, 2022.

NOTE No. "20"

Trade Payables

Others	56,848	32,946
Micro Small Medium Enterprises	620	298
	57,468	33,244

Details relating to Micro, Small and Medium Enterprises is as under -

a) Principal amount	620	298
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 editing the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at December 31, 2021	Nil	Nil
f) The amount of interest remaining due and payable even in the succeeding years, until such date when the interest is actually paid	Nil	Nil

Ageing analysis of trade payable As on 31.03.2022

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	620	-	-	-	620
b) Others	56,797	12	23	16	56,848
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	57,417	12	23	16	57,468

Ageing analysis of trade payable As on 31.03.2021

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	294	4	-	-	298
b) Others	32,873	57	1	15	32,946
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	33,167	61	1	15	33,244

NOTE No. "21"

Other Financial Liabilities

Payable on Account of Employees	404	424
Security and Other Deposits	125	192
Amount Payable to Related Parties	87	58
Other Payable	21,589	10,026
	22,205	10,700

NOTE No. "22"

Other Current Liabilities

Statutory Taxes and Dues	403	289
Advance Received from Customers	449	339
	852	628

NOTE No. "23"

Provisions

Gratuity	51	67
Leave Encashment	44	32
	95	99

NOTE No. "24"

Current Tax Liability

Provision for Income Tax	91	15
	91	15

(Rs. in Lakhs)

Particulars	Quarter Ended 31.03.2022	Quarter Ended 31.03.2021	Quarter Ended 31.12.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
NOTE No. "25"					
Revenue from Operation					
Sale of Products					
Urea Sale	9,440	7,619	9,499	36,168	35,343
Ammonia Sale	32	-	540	571	727
Govt Subsidy- Urea	66,557	32,544	54,245	200,943	125,208
GAIL Subsidy- Gas pool	(4,749)	5,314	3,686	15,960	24,054
Sale-Flyash	29	34	36	117	78
	71,309	45,511	68,006	253,759	185,410
Other operating revenue					
Sale -Traded Product	1,060	130	2,683	5,039	3,779
	1,060	130	2,683	5,039	3,779
	72,369	45,641	70,689	258,798	189,189

DoF GoI has notified subsidy to the Company at 6.500 Gcal/MT w.e.f. 1st October,2020 instead of 7.847 Gcal/MT. However, as per discussions with DoF, the Company is likely to get subsidy at 7.424 Gcal/MT w.e.f. 1st October,2020. Basis the said estimate, provision for Subsidy claim has been recognised in the books of account for the Financial Year 2021-22.

NOTE No. "26"

Other Income

Interest Income (including fair value of financial liability at amortised cost)	87	79	40	356	261
Foreign Exchange Gain (Net)	-	1	-	-	-
Misc Receipts	5	4	25	58	16
	92	84	65	414	277

NOTE No. "27"

Cost of material Consumed

Raw Materials Consumed	46,842	26,842	46,979	169,430	106,758
Coal Consumed	1,653	740	1,603	5,338	3,568
Bags Consumed	706	509	735	2,651	2,116
	49,201	28,091	49,317	177,419	112,442

KANPUR FERTILIZERS & CHEMICALS LIMITED

(Rs. in Lakhs)

Particulars	Quarter Ended 31.03.2022	Quarter Ended 31.03.2021	Quarter Ended 31.12.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
NOTE No. "28"					
Purchases of Stock-in-Trade					
Ammonia	339	-	-	339	-
Wheat seed	-	-	1,806	1,806	1,573
Calcium Nitrate	13	3	27	58	136
Zyme	88	33	209	721	670
Micro Nutrient	75	38	123	461	386
Sulphur	100	22	97	374	263
Zinc Sulphate	4	-	14	47	37
City Compost	2	5	0	25	76
Ferrous Sulphate	13	7	15	142	63
Others	13	0	23	67	15
	647	108	2,314	4,040	3,219
NOTE No. "29"					
Changes in Inventories of Finished Goods Work-in-Progress					
Opening Stock					
Work-in-Progress	1,340	681	872	1,218	1,533
Finished Goods	2,103	1,265	1,513	1,777	1,277
	3,443	1,946	2,385	2,995	2,810
Closing Stock					
Work-in-Progress	1,101	1,218	1,340	1,101	1,218
Finished Goods	596	1,777	2,103	596	1,777
	1,697	2,995	3,443	1,697	2,995
	1,746	(1,049)	(1,058)	1,298	(185)
NOTE No. "30"					
Employee Benefit Expense					
Salaries and Wages	1,148	1,053	1,026	4,196	4,274
Contribution to Provident and Other Funds	53	53	48	205	200
Gratuity	15	61	50	66	129
Staff Welfare	3	(1)	8	15	85
	1,219	1,166	1,132	4,482	4,688
NOTE No. "31"					
Finance Cost					
Interest to Banks on Working Capital	772	852	111	1,102	5,924
Interest to Banks on Term Loan	(609)	783	543	1,087	2,933
Interest to Others	1,178	2,520	1,009	3,821	4,958
Financial Charges	23	6	29	104	266
	1,364	4,161	1,692	6,114	14,081
NOTE No. "32"					
Depreciation and Amortization expense					
Depreciation on Tangible Assets	2,790	1,799	1,805	8,264	7,300

KANPUR FERTILIZERS & CHEMICALS LIMITED

(Rs. in Lakhs)

Particulars	Quarter Ended 31.03.2022	Quarter Ended 31.03.2021	Quarter Ended 31.12.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
	2,790	1,799	1,805	8,264	7,300

NOTE No. "33"

Other expenses

Repairs & Maintenance - Others	204	2	57	367	209
Electricity Charges	9,460	8,558	10,093	41,050	41,653
Store and Spares Consumed	1,991	593	364	3,297	1,772
Repairs & Maintenance - Plant	274	349	292	1,684	986
Directors' Meeting Fee	10	6	4	26	22
Insurance	59	102	67	374	431
Rates & Taxes	3	15	11	92	107
Loading & Unloading Charges	321	353	342	1,216	1,317
Travelling & Conveyance Expenses	57	63	67	218	202
Corporate Social Responsibility	0	13	3	26	35
Vehicle Running & Hiring Charges	59	64	62	240	245
Freight & Octroi Expenses	1,557	1,538	1,613	5,740	5,707
Advertising and Sales Promotion	66	191	88	201	294
Provision for doubtful debts, loans & advances	563	-	-	563	-
Legal & Professional	180	84	88	414	283
Bank Charges & LC/BG Commission	67	19	110	293	195
Safety & Security	80	69	67	284	248
Horticulture and Gardening	(0)	1	1	2	15
Auditors Remuneration*	9	11	5	24	27
(*) please refer details below	-	-	-	-	-
Fair value of Financial Liability at amortised cost	27	(43)	25	103	97
Miscellaneous Expenses	50	60	47	230	215
	15,038	12,048	13,406	56,444	54,060

NOTE No. "34"

Exceptional Items (Net)

Loss on Retirement of Fixed Assets*	-	62	-	-	62
Capital Work in Progress*	-	71	-	-	71
Bad Debts Written Off	20	243	-	19	244
Creditor Bal. Written Back	(3)	(19)	-	(24)	(527)
	17	357	-	(5)	(150)

(*) Auditors Remuneration

Particulars	For year ended 31.03.2022	For year ended 31.03.2021
Audit Fees(Including LR Fees#)	8	8
Tax Audit Fees	3	3
GST Audit Fees	-	2
Cost Audit Fees	3	3
Internal Audit Fees	7	8
Secretrial Audit Fees	1	1
Audit Expenses	2	2
Total	24	27

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTE No. "35"

Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'

(a) Income Tax Expense

i) Income tax recognised in statement of profit or loss

	(Rs. in Lakhs)	
	March 31, 2022	March 31, 2021
Current tax expense		
Current year	203	-
MAT Credit	(203)	(2)
Adjustment for prior periods	-	2
	-	-
Deferred tax expense		
Origination and reversal of temporary differences	(952)	(1,336)
Reduction in tax rate		
	(952)	(1,336)
Total income tax expense	(952)	(1,336)

ii) Income tax recognised in other comprehensive income

	(Rs. in Lakhs)					
Particulars	March 31, 2022			March 31, 2021		
	Before tax	Tax expense/(benefit)	Net of tax	Before tax	Tax expense/(benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	6	(2)	4	26	(9)	17
	6	(2)	4	26	(9)	17

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	(Rs. in Lakhs)	
Particulars	March 31, 2022	March 31, 2021
Accounting Profit/(Loss) before tax expense	1,153	(5,988)
Enacted tax rate	34.944%	33.384%
Taxed at India Statutory Tax Rates	403	(1,999)
Tax Effect of:-		
Non-Deductible Expenses	114	700
Non-Taxable Incomes	(27)	(26)
Expenses disallowed earlier now allowed as per Income Tax Act, 1961	(56)	(52)
Impact of Depreciation as per Income Tax Act, 1961	1,125	504
Carry Forward of Income Tax Losses for current year	(1,558)	874
Current tax of Prior Period	-	
Deferred Tax Impact	(950)	(1,328)
Tax Expenses	(950)	(1,328)

iv) The tax rates under Indian Income Tax Act, for Financial Year 2021-22 is 34.944% (Previous year 2020-21 is 33.384%).

NOTE No. "36" Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and diluted earnings per share	Mar 31st, 2022	Mar 31st, 2021
Basic earnings per share (Refer footnote a & b)	0.61	(1.41)
Diluted earnings per share	0.60	(1.32)
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	2,105	(4,652)
Profit attributable to equity shareholders	2,105	(4,652)

(b) Weighted average number of equity shares

Opening balance of issued equity shares	343,457,225	290,957,225
Effect of shares issued during the year, if any	-	40,130,137
Weighted average number of equity shares for Basic	343,457,225	331,087,362

(c) Weighted average number of Convertible Preference shares

Opening balance of issued Preference shares	9,000,000	61,500,000
Effect of shares Issued during the year, if any	-	52,500,000
Balance shares convertible at the end of the Year	9,000,000	9,000,000
Effect of shares Convertible during the year, if any	-	12,369,863
Weighted average number of Convertible Preference shares (b)	9,000,000	21,369,863
Weighted average number of equity shares for Diluted EPS (b + c)	352,457,225	352,457,225

NOTE No. "37" 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 Rs. 2.05 crore (31 March 2021: Rs. 2.00 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:

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Net defined benefit Obligation :		
Gratuity (funded)	94.64	116.19
Total	94.64	116.19
Total employee benefit obligation		
Non-current	163.41	183.07
Current	51.40	66.61
Total	214.80	249.68
Movement in net defined benefit obligation for the year		
Present Value of Obligation as at the beginning of Period	249.68	281.02
Interest Cost	16.98	19.11
Service Cost	36.30	40.21
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-94.64	-116.19
Total Actuarial (Gains)/Loss on obligation	6.49	25.53
Total Service Cost to be recognised in Statement of Profit & Loss A/C	214.80	249.68

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Included in OCI		
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	0.00	0.00
Financial Assumptions	-5.18	0.00
Experience Adjustment	11.67	25.53
Total Amount Recognised in OCI	6.49	25.53
D. Defined benefit obligations		
i. Actuarial assumptions		
The following were the principal actuarial assumptions at the reporting date:		
Discount rate	7.18%	6.80%
Retirement Age	60	60
Mortality Rate inclusive of Provision for disability	100% of IALM (2012-14)	"100% of IALM (2012-14)"
Withdrawal rate		
Up to 30 Years	2%	2%
From 31 to 44 Years	5%	5%
Above 44 Years	3%	3%
Salary escalation rate	4%	4%
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:

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(Rs. in Lakhs)

Particulars	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(6.44)	6.94	(6.83)	7.37
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	7.13	(6.66)	7.54	(7.04)

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.

E. 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

- 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.
- Changes in discount rate** The Reduction in discount rate in subsequent valuations can increase the Plan's Liability
- 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.
- Mortality & Disability** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

F. Expected maturity analysis of the defined benefit obligations in future years

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 onward
31 March 2022							
Gratuity	51.40	24.99	21.27	12.62	6.96	7.74	89.82
Total	51.40	24.99	21.27	12.62	6.96	7.74	89.82

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is as under:-

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Gratuity	12.79	12.46

(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 Rs. 1.41 crore (31 March 2021: Rs. 2.20 crore) for the year have been made on the basis of actuarial valuation at the year end.

Note No. "38" 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:

(Rs. in Lakhs)		
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
A. Amount required to be spent during the year		34.89
B. Amount Actually spent during the year	26.36	34.93
Amount upspent (if any)	-	-

Amount spent during the year ended 31 March 2022: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	26.36	-	26.36
Grand Total			26.36

Amount spent during the year ended 31 March 2021: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	31.77	-	31.77
(ii) On purposes other than (i) above	3.16	-	3.16
Grand Total			34.93

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2022
1) For Covid-19 facility - Jaypee Healthcare	15.00
2) For Covid-19 facility - Madhuraj Hospital, Kanpur	5.00
3) For Promotion of Aganwadi center at Kanpur	3.36
4) For Covid-19 facility - Jaypee Institute - SAI Advance	3.00
Total	26.36

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2021
1) Ration Distribution During The Lockdown (Covid-19)	3.16
2) Renovation Of School At Deoria	1.08
3) Renovation Of G.S.Inter Collageu/S Csr Scheem	6.29
4) For Development Of Ghat On The Banks Of River Ganga at Anoopshahar.	24.40
Total	34.93

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

(Rs.in Lakhs)

In Particulars	2021-22	2020-21
a) Claims against the Disputed Income Tax 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).	327.76	327.76
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt. Notice of Demand on account of excess Input Tax Credit (ITC) availed was raised by Assistant Commissioner of Central Tax. The company had filed the reply and Assistant Commissioner had passed the rectification order.	150.31	1,466.71
Appeal has been filed against the said order in Appellate Tribunal with pre-deposit of 10% of the tax amount.	11.52	
c) Legal claims against Civil/Labour Court Cases	5,332.78	4,327.98
d) Stamp Duty (U/s 47 of Stamp Act)	4,200.00	4,200.00
e) Outstanding Balances of Bank Guarantees	648.81	648.81
Margin Money deposited against the above	882.14	872.22
f) Outstanding Letters of Credit (including Foreign LCs)	8,000.00	8,000.00
Margin Money deposited against the above	1,001.39	969.35

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

- Jaypee Cement Corporation Limited
- Himalyaputra Aviation Limited
- Jaypee Healthcare Limited (wholly owned subsidiary of JIL) [its status as subsidiary of JAL is subject to the Order dated 24.03.2021 of Supreme Court and consequent proceedings with NCLT and the matter has not yet attained finality.]

c) Associate Companies:

- Mahabhadra Construction Limited (MCL) Formerly known as Jaypee Development Corporation Limited (JDCL) (wholly owned subsidiary of JIV)
- JIL Information Technology Limited (JILIT) (Subsidiary of JIVPL)
- Gaur & Nagi Limited (wholly owned subsidiary of JILIT)

d) Key Managerial Personnel

- Shri Manoj Gaur – Non Executive Chairman
- Shri Alok Gaur – Joint Managing Director & CEO (Appointed as Additional Director w.e.f 29th January, 2021 and Joint Managing

Director & CEO w.e.f 1st February, 2021)

- Ms. Sunita Joshi – Non Executive Director
- Shri R.K. Pandey – Non Executive Director
- Shri S.D. Nailwal – Non Executive Director
- Shri Ajit Kumar – Non Executive Director (Appointed w.e.f 29th January, 2021)
- Shri Anil Mohan – Non Executive Director (Appointed w.e.f. 13th April, 2020)
- Shri Satish Charan Kumar Patne – Independent Director (Appointed w.e.f. 3rd May, 2020)
- Shri K.V.Rajendran – Independent Director (Appointed w.e.f. 3rd May, 2020)
- Shri Devinder Singh Ahuja – Non Executive Director (Appointed w.e.f. 28th July, 2021)
- Shri A.K. Jain, Vice Chairman and CEO (Resigned w.e.f 13th June, 2020)
- Shri Gaurav Jain, Director (Resigned w.e.f 16th June, 2020)
- Shri Sunny Gaur, Director (Resigned w.e.f 13th September, 2020)
- Shri Sudhir Rana – Chief Financial Officer
- Smt. Suman Lata – Company Secretary (Resigned w.e.f 15th February, 2022)

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e) Key Managerial Personnel of JUBVPLI

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

f) 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 Gaurav Jain – Wholtime Director (Resigned w.e.f 16th June, 2020)
7. Shri Joginder Pal Sindwani - Chief Financial Officer

g) Key Managerial Personnel of JAL

1. Shri Jaiprakash Gaur (w.e.f. 19.05.2018)) - Chairman Emeritus
2. Shri Manoj Gaur- Executive Chairman & CEO
3. Shri Sunil Kumar Sharma – Executive Vice Chairman
4. Shri Raj Narayan Bhardwaj – Independent Director

5. Ms. Homai A. Daruwalla – Independent Director
6. Shri Kailash Nath Bhandari – Independent Director
7. Shri Satish Charan Kumar Patne – Independent Director
8. Shri Keshav Prasad Rau – Independent Director
9. Shri Tilak Raj Kakkar – Independent Director
10. Shri Pankaj Gaur – Joint Managing Director (Construction)
11. Shri Ranvijay Singh – Whole-time Director
12. Shri Ravindra Kumar Singh – Director (Appointed w.e.f. 23rd December, 2020)
13. Shri R.B Singh, Wholtime Director (Appointed w.e.f. 12th February, 2022)
14. Dr. Pramod Kumar Agrawal, Independent Director (Appointed w.e.f. 12th February, 2022)
15. Shri Sunny Gaur, Managing Director (Cement) (Resigned w.e.f 4th July, 2020)
16. Shri Ashok Soni, CFO
17. Shri M.M. Sibbal, Company Secretary (1st June, 2017 to 30th June, 2021)
18. Shri Sandeep Sabharwal, Company Secretary (Appointed w.e.f 1st July, 2021)

Note No. “39” Related Party Disclosure

i) Disclosure of Related Party Transactions and their Closing Balances is as Under :

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	Transaction During the year		Payment	Outstanding Balance as at	
			FY 2021-22	FY 2020-21	FY 2021-22	31st March 2022	31st March 2021
Jaypee Fertilizers & Industries Limited	Holding Company	Reimbursement Towards Expenses	-	-	2.89	1,513.68	1,510.79
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimbursement Towards Expenses	-	-	-	1.43	1.43
Jaiprakash Associates Limited	Holding Company	Purchase of Power	-	5,632.63	17,984.99	13154.45	7,828.39
		Purchase of Power	11,573.24	22,337.88			
		Cement Purchased	5.39	16.44			
		Assets Purchased	1,000.00	18.89			
		Repairing Services	6.31	35.32			
		Repairing Services (HO)	13.09	-			
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Helicopter & Aeroplane hire Charges	120.00	120.00	127.65	-23.20	-11.65
Jaypee Healthcare Limited	Fellow Subsidiary Company	CSR Asctivites	15.00	-	15.00	-	-
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	238.55	189.93	269.90	-26.71	-26.00
		Sale of Service					
JIL Information Technology Ltd.	Associate Company	Manpower Supply	122.21	54.70	111.67	-36.99	-13.37
		Assets Purchased	0.62	2.50			
		Sale of Assets	-	0.00			
		Sale of Service					
Jaypee Cement Corporation Ltd.	Associate Company	Purchase of AC Sheets	2.19	3.17	9.80	-	-7.21
Gaur & Nagi Limited	Associate Company	Publishing Charges of Annual Report	0.33	0.32	-	-0.35	-
Total						14,582	9,282

Receivable/Debit Balance of Related party as at 31ST MAR 2022	(Rs. in Lakhs)
Jaypee Fertilizers & Industries Limited	1,514
Jaypee Uttar Bharat Vikas Private Limited	1
Mahabhadra Constructions Ltd	-
Jaiprakash Associates Limited	13,154
Total	14,670

PPayable / Credit Balance of Related party as at 31st MAR 2022	(Rs. in Lakhs)
Himalayaputra Aviation Limited	(23)
JIL Information Technology Ltd.	(37)
Jaypee Cement Corporation Ltd.	-
Gaur & Nagi Limited	(0)
Mahabhadra Constructions Ltd	(27)
Total	(87)

Key Managerial Person	Relationship	Nature of Transaction	Transaction During the year		Outstanding Balance as at	
			FY 2021-22	FY 2020-21	31st March 2022	31st March 2021
SUDHIR RANA*	CFO	Short term employee benefit				
		Salary	40.34	28.45	2.18	1.34
		Car Hire Charges	3.60	3.60	0.29	0.29
		Long term employee benefit		-	-	-
		Post employment Benefit				
		Leave Encashment	-	-	-	-
		Gratuity	-	-	-	-
Ajit Kumar	Advisor	Short term employee benefit				
		Salary	27.00	27.00	2.43	2.49
		Car Hire Charges	-	-	-	-
		Long term employee benefit	-	-	-	-
		Post employment Benefit				
		Leave Encashment	-	-	-	-
		Gratuity	-	-	-	-
Devinder Singh Ahuja	Advisor	Short term employee benefit				
		Salary	48.80	-	5.70	-
		Car Hire Charges	-	-	-	-
		Long term employee benefit	-	-	-	-
		Post employment Benefit				
		Leave Encashment	-	-	-	-
		Gratuity	-	-	-	-
Suman Lata*	Company Secretary	Short term employee benefit				
		Salary	20.62	19.31	-	1.25
		Car Hire Charges	2.62	3.00	-	0.25
		Long term employee benefit	-	-	-	-
		Post employment Benefit				
		Leave Encashment	1.45	-	-	-
		Gratuity	1.71	-	-	-
Alok Gaur	WTD & CEO	Short term employee benefit				
		Salary	112.44	-	5.55	-
		Long term employee benefit	-	-	-	-
		Post employment Benefit				
		Leave Encashment	-	-	-	-
		Gratuity	-	-	-	-
		Total	146.13	142.49	-	-

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

KANPUR FERTILIZERS & CHEMICALS LIMITED

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, 2022	As at March 31, 2021
Debt*	19,486.29	23,846.61
Cash and Bank Balance (including Cash and Bank Balances in a disposal group held for sale)	6,623.19	20,928.96
Net Debt	12,863.10	2,917.65
Total Debt + Equity	92,925.75	80.87
Net Debt to Equity Ratio	13.84%	3.61%

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

(ii) Categories of Financial Instruments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	6,623.19	20,928.96
c) Other Financial Assets	16,694.07	11,917.75
d) Trade Receivable	78,284.47	29,159.92
Total	1,01,601.73	62,006.63

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	13,975.91	7,861.84
b) Current Borrowing	3,480.28	4,109.83
b) Trade Payable	57,467.67	33,243.60
c) Other Financial Liability*	25,655.20	23,732.12
Total	1,00,579.06	68,947.39

* including current maturities of long-term debt

(iii) Fair Value Hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, Bank Balance, other bank balances, trade payables, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.

There are no Financial Assets/Liabilities classified as Level 1 and Level 2.

(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, 2022	As at March 31st, 2021
1	FICC, GoI	77,902.50	28,149.27

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 6,471.96 Lakhs (31 March 2021: Rs. 20,178.00 Lakhs). 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. The company has made a provision of Rs. 5,62,59,812.00 towards doubtful debts, being the debtors on whom the company has filed cases. These amounts have not paid by the customers and are disputed.

- 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 had defaulted in the repayment of Term Loan and Working Capital Demand Loan (WCDL, part of Overdraft Facility) to Yes Bank Limited (YBL) since July, 2019. At the request of the Company, YBL agreed to realign / restructure its loan with approval from consortium of lenders lead by State Bank of India (SBI). YBL has restructured / realigned its term loan vide facility letter no YBL/DEL/FL/1513/2020-2021 dated 27.03.2021 and addendum no. YBL/DEL/FL/1301/2021-22 dated 17.02.2022. The rate of interest is 0.10% + Bank's one year MCLR (currently 8.60%). The loan is repayable in 19 structured installments starting March, 2021 and ending on 31st March, 2030. The loan is secured by way of second pari passu charge on movable and immovable fixed assets, both present and future, of the Company.

On receipt of No Objection Letters from consortium lenders, the Company executed fresh loan documents with YBL on 18.02.2022. The Company has paid interest and installments due upto 31st March, 2022. The amount outstanding as on 31.03.2022 is Rs.10,595.35/= Lakhs (Previous Year Rs.10,779.59/= Lacs). **The account of the Company with YBL is standard as on 31st March, 2022.**

(i) Financing arrangements

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

Rs. In Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Cash Credit		
State Bank of India	—	—
ICICI Bank Ltd.	—	—
Overdraft		
Yes Bank Ltd.	3,480.28	4,109.83
Total	3,480.28	4,109.83

State Bank of India (SBI), the lead, and ICICI Bank, have approved the renewal of working capital facilities for FY 21-22 at reduced limit of Rs.280 Crore (Rs.200 Crore fund based and Rs.80 Crore non-funds based) and Rs.60 Crore (interchangeable between fund and non-funds based) respectively, to the Company. The Company has not utilized fund based working capital facilities from both these banks. As on 31st March, 2022, non fund based limits of Rs.72 Crore from SBI and Rs.10 Crore from ICICI have been availed in addition to WCDL of Rs.34.80 Crore from Yes Bank, as stated above.

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

KANPUR FERTILIZERS & CHEMICALS LIMITED

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, 2022						
Borrowing	13	5,508.34	6,132.20	7,875.08	19,515.63	19,484.26
Trade Payables	13	57,467.67	-	-	57,467.67	57,467.67
Other Financial Liabilities	13	22,204.91	-	2,204.58	24,409.50	23,625.11
Total		85,180.92	6,132.20	10,079.66	1,01,392.80	1,00,577.04
As at March 31, 2021						
Borrowing	13	15,984.76	7,912.67	-	23,897.43	23,846.61
Trade Payables	13	33,243.60	-	-	33,243.61	33,243.61
Other Financial Liabilities	13	107,00.13	-	2,044.58	12,744.72	11,857.36
Total		59,928.49	7,912.67	2044.58	69,885.76	68,947.58

– 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, 2022	March 31, 2021
If Increase by 50 Basis Point		
Impact on Profit or Loss for the year	(80.18)	(98.94)
Impact on Total Equity as at the end of the reporting period	(80.18)	(98.94)
If Decrease by 50 Basis Point		
Impact on Profit or Loss for the year	80.18	98.94
Impact on Total Equity as at the end of the reporting period	80.18	98.94

(vi) Deposits Liened With -

(₹ in Lakhs)

S.No.	TDR No.	Date of Deposit	Amount	Authorities, Pledged With
1	37232660663	12-10-2021	183.31	State Bank of India against SBLC to GAIL (India) Ltd.
2	37024509915	18-07-2021	123.41	State Bank of India against SBLC to GAIL (India) Ltd.
3	32999387721	15-11-2021	11.74	State Bank of India against Railways Bank Guarantee for online freight payment.
4	33761290416	31-03-2022	694.68	State Bank of India against SBLC to GAIL (India) Ltd.
5	36448895508	02-03-2022	117.91	State Bank of India against BG in favour of President Officer, Labour Court
6	000714997318	23-03-2021	10.63	ICICI Bank Ltd. against Bank Guarantee to Sales Tax Authorities
7	000714358239	28-05-2021	1.92	ICICI Bank Ltd. against Bank Guarantee to Punjab VAT
8	000714425042	24-04-2020	739.95	ICICI bank Ltd. against BG to KESCO
9	32250645718	31-03-2021	0.38	State Bank of India against BG to Haryana VAT
10	32844977524	26-02-2022	4.48	State Bank of India UP Power Corporation Limited
11	34213211634	18-03-2022	15.90	State Bank of India UP Power Corporation Limited
12	34898624286	28-04-2021	141.66	State Bank of India, DSRA
13	36323846542	18-02-2022	5.78	State Bank of India, DSRA
14	35817636993	06-06-2021	384.50	State Bank of India, DSRA
	Total		2,436.25	

The total deposits of the Company as on 31.03.2022 is Rs. 2,436.25

4) a) Ratios

Particulars	2021-2022	2020-2021
Current Ratio	1.28	1.15
%Change	-11.18%	
Debt Equity Ratio	0.24	0.31
%Change	20.44%	
Debt Service Coverage	1.22	0.99
%Change	-22.97%	
Return on Equity/ Investment Ratio	0.03	(0.06)
%Change	144.33%	
Inventory Turnover Ratio	39.74	27.12
%Change	-46.55%	
Trade Receivables Turnover Ratio	4.82	2.33
%Change	-106.72%	
Trade Payables Turnover Ratio	1.27	0.72
%Change	-77.08%	
Net Capital Turnover Ratio	10.60	20.23
%Change	47.61%	
Net Profit Ratio	0.01	(0.02)
%Change	133.28%	
Return on Capital Employed	16.92%	18.37%
%Change	7.91%	

KANPUR FERTILIZERS & CHEMICALS LIMITED

- b) 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. Details as under :

Description of property	Gross carrying value (Rs. In Lakhs)	Asset held in name of	Whether held in name of promoter, director or their relative or employee	Period during which it was not held in name of the Company	Reason for not being held in name of company
Land – Parbati Bagla Road, Kanpur	24,343.87	Duncans industries Ltd.	No	w.e.f 24.01.2012	Pursuant to Transfer of Land in terms of Para 4 and Para 5, Para II of Annexure A of approved Scheme of BIFR dated 16.01.2012
Land – 56 cantonment, Kanpur Road, Kanpur					
Land - Cee Kay Estate Udyog Vihar Industrial Area, Panki, Kanpur					

- c) **Loans and advances- to directors, KMP etc.**

The company has not given any loans and advances- to directors, KMP etc.

- d) **Details of Benami Property held:**

The company does not hold any benami property.

- e) **Willful Defaulter:**

The company has not been termed as wilful defaulter.

- f) **Relationship with Struck off Companies:**

The company has not dealt with any struck off company.

- g) **Borrowings and registration of charges or satisfaction with Registrar of Companies:**

The company has availed following facilities and respective charges have been created against the facilities availed:

(Rs. in Lakhs)

Names and addresses of the charge holder	Period and amount secured by the charge	Short description of the property charged	Date of registration of creation of charge
YES BANK LIMITED YES BANK HOUSE, OFF WESTERN EXPRESS HIGHWAY,SANTACRUZ, MUMBAI, MAHARASHTHRA - 400055	4,000.00	First ranking pari passu charge by way of hypothecation created/ to be created on the current assets and receivables (both present and future) of the Company as provided in Schedule 2 of the Deed of Hypothecation in favour of Yes Bank Limited as security for Overdraft facility of INR 40,00,00,000.00 (Indian Rupees Forty Crore Only) and Working Capital Demand Loan (as a sub- limit of the Overdraft facility) of INR 24,00,00,000.00 (Indian Rupees Twenty Four Crore only) granted in accordance with the terms of the Facility Letter and the MFA.	CHG-1 filed on 31/03/2022 vide SRN T93097715
YES BANK LIMITED YES BANK HOUSE, OFF WESTERN EXPRESS HIGHWAY,SANTACRUZ, MUMBAI, MAHARASHTHRA - 400055	11,000.00	Second ranking pari passu charge by way of hypothecation created/ to be created on the movable assets (both present and future) of the Company as provided in Schedule 2 of the Deed of Hypothecation in favour of Yes Bank Limited as security for the Term Loan and the FITL granted in accordance with the terms of the Facility Letter & LA.	CHG-1 filed on 31/03/2022 vide SRN T93108751
		Second ranking pari passu charge by way of mortgage created/ to be created on the immovable assets (both present and future) of the Company as provided in Schedule I and II of the MoE and Declaration as security for the Term Loan and the FITL granted in accordance with the terms of the Facility Letter & LA.	

Registration of Satisfaction with Registrar of Companies :

Names and addresses of the charge holder	Period and amount secured by the charge	Short description of the property charged	Date of registration of satisfaction
SREI EQUIPMENT FINANCE LIMITED VISHWAKARMA', 86C, TOPSIA ROAD, KOLKATA West Bengal700046	1,000.00	Deed of Hypothecation	31.08.2021 vide SRN : T39454657
SREI EQUIPMENT FINANCE LIMITED VISHWAKARMA', 86C, TOPSIA ROAD, KOLKATA West Bengal700046	3,000.00	Deed of Hypothecation(116403)	01.09.2021 vide SRN : T39448204
YES BANK LIMITED 9TH FLR, NEHRU CENTRE, DISCOVERY OF INDIA, DR. ANNIE BESANT ROAD, WORLI, MUMBAI	16,000.00	First pari passu charge on immovable assets and second pari passu charge on movable assets, Pledge & NDU of shares	09.04.2022 vide SRN :T96145750

h) Compliance with number of layers of companies:

The company does not have subsidiary, therefore compliance with layers of companies is not applicable.

i) The company has not advanced/loaned/invested borrowed funds to any directors / KMPs' and their relatives.

j) Share premium, compliance with scheme of merger is not applicable to company.

k) Corporate Social Responsibility (CSR)

i) The company was not required to spent amount as CSR expenses during the FY 21-22.

ii) However, the company has incurred amount of Rs.26,36,000/- as CSR expenses in FY 21-22.

NAME OF PARTY	Rs. In Lakhs
Jaypee Healthcare Limited Bulandshahr Collection Account	15.00
Jaypee Institute Of Information Technology -Sai Advance Covid Care Centre	3.00
Madhuraj Hospital (P) Ltd	5.00
Aganwadi Center Kanpur	3.36
TOTAL	26.36

l) Details of Crypto Currency or Virtual Currency:

The company has not dealt with crypto/virtual currency.

5) Previous year figures have been regrouped/ reclassified wherever found necessary to make them confirm to the current year classification.

6) All figures have been rounded off to the nearest rupee.

Summary of Significant Accounting Policies &

Notes to the Financial Statements

"1" to "39"

For Sharma Vats & Associates

Chartered Accountants

Registration No. 031486N

(Manoj Kumar Vats)

Partner

M. No. 527922

Place: New Delhi

Dated : 27.05.2022

(Ritu Gupta)

Company Secretary

ACS-20334

Sudhir Rana

Chief Financial Officer

Manoj Gaur

Chairman

(DIN : 00008480)

(Alok Gaur)

Jt. MD & CEO

DIN: 00112520

**Form MGT - 12
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]

KANPUR FERTILIZERS & CHEMICALS LIMITED
(Formerly known as Kanpur Fertilizers & Cement Limited)

CIN: U24233UP2010PLC040828

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

Tel.: +91 (120) 4609000, **Fax:** +91 (120) 4963122

E-mail : kfcl.investor@jalindia.co.in ; **Website :** www.kfclkanpur.com

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I / We hereby exercise my /our vote in respect of the Ordinary and Special Resolutions to be passed through poll for the business stated in the Notice of 12th AGM of the Company by recording my/our assent or dissent to the said resolutions by placing Yes or No in the appropriate box below:

Item No.	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 March 31, 2022 together with the reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Shri Manoj Gaur (DIN: 00008480) , who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To appoint a Director in place of Shri Anil Mohan (DIN:08733802) , who retires by rotation and being eligible, offers himself for re-appointment.			
4.	Ratification of Remuneration of M/s. Kabra & Associates, Cost Accountants (Firm Registration No. 000075) , Cost Auditors for the Financial Year 2022-23.			
5.	Approval/Ratification for payment of Remuneration to Shri Gaurav Jain (DIN:01102024) , the then Whole-time Director, for the period from April 1, 2019 to May 27, 2020.			
6.	Approval/Ratification for payment of Remuneration to Shri Ashok Kumar Jain (DIN:01731920) , the then Whole-time Director designated as 'Vice Chairman & CEO', for the period from April 1, 2019 to June 13, 2020.			
7.	Approval for payment of Remuneration to Shri Alok Gaur (DIN:00112520) , Whole-time Director designated as 'Joint Managing Director & CEO'.			
8.	Re-appointment of Shri Krishnaswamy Venkatraman Rajendran (DIN: 02468551) as an Independent Director for second term of five years.			

Place :

Date :

Signature of the Shareholder:

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