Annual Report
2023-24

KANPUR FERTILIZERS & CHEMICALS LIMITED

JAYPEE GROUP

Board of Directors

Shri Manoj Gaur (DIN: 00008480), *Chairman*

Shri Alok Gaur (DIN: 00112520), *Joint Managing Director & CEO*

Shri S.D. Nailwal (DIN: 00008529), *Director*

Ms. Sunita Joshi (DIN: 00025720), *Director*

Shri Anil Mohan (DIN: 08733802), *Director*

Shri K.V. Rajendran (DIN: 02468551), *Independent Director*

Shri Ajit Kumar (DIN: 07774104), *Director*

Shri Devinder Singh Ahuja (DIN: 07687173), *Director*

Shri N. K. Grover (DIN: 08543115), *Independent Director*

Shri Vinod Sharma (DIN: 02072969), *Director*

* Dr. Pramod Kumar Agrawal (DIN: 08311041) *Additional Director (Independent)*
(Appointed w.e.f. April 27, 2024)

Registered Office

Sector – 128, Noida 201 304 (U.P.)
CIN: U24233UP2010PLC040828
Tel.: +91 120 4609000; Email : kfcl.investor@jalindia.co.in
Website: www.kfclkanpur.com

Chief Financial Officer

Shri R.C. Sharma (Appointed w.e.f. April 19, 2023)

Company Secretary

Ms. Ritu Gupta

Statutory Auditors

M/s Sharma Vats & Associates
Chartered Accountants

Internal Auditors

M/s Arpit Taneja & Associates
Chartered Accountants

Cost Auditors

M/s Kabra & Associates
Cost Accountants

Secretarial Auditor

M/s Anjali Yadav & Associates,
Company Secretaries

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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BOARD'S REPORT

To

The Members,

The Directors of your Company are pleased to present the **Fourteenth Annual Report** together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024.

1. FINANCIAL SUMMARY

The working results of the Company for the Financial Year 2023-24 alongwith its comparison with the previous Financial Year are as under:

(Rs. in Crores)

	Particulars	Year ended 31.03.24	Year ended 31.03.23
(A)	**PROFITABILITY**		
1	Revenue from operations	2948.85	3198.41
2	Other Income	21.55	5.24
3	**Total Income**	**2970.40**	**3203.65**
4	**Profit before Interest, Depreciation & Tax**	**133.48**	**180.84**
5	Less : Finance Cost	24.80	67.79
6	Less : Depreciation and amortization expense	73.20	72.25
7	**Profit before Exceptional items & Tax**	**35.48**	**40.80**
8	Exceptional/Extra-ordinary Items	-	-
9	**Profit before Tax**	**35.48**	**40.80**
10	Tax Expense	21.95	23.97
11	**Profit after Tax**	**13.53**	**16.82**
12	Other Comprehensive Income	1.42	0.09
13	**Total Comprehensive Income**	**14.95**	**16.91**
14	Basic Earnings Per Share (in Rs.)	0.42	0.48
15	Diluted Earnings Per Share (in Rs.)	0.42	0.48
(B)	**ASSETS & LIABILITIES**		
1	Non-Current Assets	726.57	684.48
2	Current Assets	933.76	998.21
3	**Total Assets (1+2)**	**1,660.33**	**1,682.69**
4	Equity Share Capital	352.46	352.46
5	Other Equity	480.02	465.08
6	Non-Current Liabilities	40.42	25.09
7	Current Liabilities	787.43	840.06
8	**Total Equity and Liabilities (4+5+6+7)**	**1,660.33**	**1,682.69**

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 2023-24.

3. TRANSFER TO RESERVE

During the Financial Year under review, your Company has not transferred any amount to General Reserve.

4. OPERATIONAL PERFORMANCE

During the Financial Year under review, the Company was able to achieve 94.78% capacity utilization as against 86.92% last year. Energy consumption decreased to 7.19 GCal/MT of urea from 7.25 GCal/MT of urea in the previous year.

During the year under Report, the revenue from operations of the Company was Rs. 2948.85 Crores as against Rs. 3198.41 Crores earned during Previous Financial Year 2022-23 and Profit before tax was Rs. 35.48 Crores as against Rs. 40.80 Crores during the Previous Financial Year.

Subsidy matter

As per notification dated November 18, 2022, energy norms applicable to the Company for computation of subsidy were 6.5 GCal / MT w.e.f. April 1, 2023.

After several representations and discussions with Senior officials of Department of Fertilizers (DoF) headed by the Chairman of the Company, the Energy Norms of the Company were revised to 7.443 GCal / MT upto March 31, 2024 vide notification dated August 14, 2023.

Again requests were submitted to DoF to continue the same energy norms from April 1, 2024 onwards till validity of New Urea Policy 2015 (NUP 2015) i.e. March 31, 2025.

Keeping in view the food security and to provide adequate fertilizer to the farmers, DoF considered Company's request and revised the Energy norms to 7.376 GCal / MT after imposing more penalty from April 1, 2024 onwards till December 31, 2024.

The New Energy norms for all the Urea Manufacturing Units covered under New Urea Policy (NUP) 2015 is under active consideration of DoF and New Urea Policy shall be in force from April 1, 2025 onwards, after due consultation with Expert Group from Niti Aayog.

Simultaneously, Government is emphasizing to reduce the subsidy burden by promoting Nano Urea and accordingly, the Company also has moved ahead to implement the Nano Urea plant with a capacity of 75,000 bottles/day of 500 ML each at Kanpur Plant.

Diversification plans with respect to Nano Urea

The Company has taken the following steps:-

i) An Agreement has been signed with Ray Nano Science & Research Centre LLP ("Ray Nano"), which has the Patent right for Nano Urea for a period of 20 years valid from December 17, 2021 till December 16, 2041, for licensing of technology to set up a Nano Urea plant at Kanpur with design capacity of 75000 bottles/day of Chand Chhaap Nano Urea.

ii) For Setting up Nano Urea plant at KFCL, Kanpur, purchase Order has been placed on Darteno Industries, Anand, Gujarat for design, engineering, procurement, manufacture, supply, installation and commissioning.

iii) Designing for the plant has been prepared and a suitable land parcel has also been earmarked and Bhoomi Pujan has also been done within the premises of Kanpur Plant.

iv) The Company has also obtained consent to establish Nano Urea Plant from Pollution Control Board vide Letter dated April 5, 2024.

v) Civil Works have also been started.

vi) Permission has been obtained to sell Chand Chhaap Nano Urea in U.P. and Bihar through its Associate Company viz. Resurgent India Food & Fuel Service Private Limited.

It is expected that the Nano Urea Plant will be commissioned by September 30, 2024. After implementation of Nano Urea plant, the Company will be the 2nd largest producer of Nano Urea and will be self-reliant in Fertilizer Industries.

Under Innovative Intellectual Property Project, an R&D Centre (Agroinovation Centre) has been set up at Kanpur. Existing Building (having around 5000 Sq. ft. area) has been renovated and State-of-the-Art R&D Lab has been set up at a total cost of Rs. 15 Crores (Approx.). 5 Labs have been made viz. Nano Nutrient Lab, Agrochemical Lab, Agronomy Lab, Instrumentation Lab and Wet Chemistry Lab.


KANPUR FERTILIZERS
& CHEMICALS LIMITED

रासायनिक शोध एवं नवाचार प्रयोगशाला

(कानपुर फर्टिलाइज़र्स एंड केमिकल्स लिमिटेड का एक उपक्रम)

भारत के कृषि क्षेत्र में प्रति हेक्टेयर उपज बढ़ाने व
आत्मनिर्भर भारत के कृषकों की समस्याओं के समाधान
के लिए कटिबद्ध इस उपक्रम को

दिनांक 26 जनवरी 2024

को राष्ट्र को समर्पित किया गया

(मनोज गौड़)	(आलोक गौड़)	(डी एस आहूजा)	(ए के गुप्ता)
Chairman	Joint M.D.	Director	President

Material changes and commitments

Except as disclosed elsewhere in this Report, no material changes and commitments have occurred between the end of the Financial Year under review and the date of signing 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 Financial Year under review.

5. CAPITAL STRUCTURE

As on March 31, 2024, 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.

As on March 31, 2024, the 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 Fifty) comprising of 35,24,57,225 (Thirty Five Crores Twenty Four Lakhs Fifty Seven Thousand Two Hundred Twenty Five) Equity Shares of Rs. 10/- (Rupees Ten) each.

During the Financial Year under review, 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 neither has any Joint Venture Company.

During Financial Year 2023-24, Resurgent India Food & Fuel Service Private Limited (with 35.47% Shareholding) and Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) (with 50% Shareholding) have become the Associate Companies of the Company within the meaning of Section 2(6) of the Companies Act, 2013.

Consolidated Financial Statements

The performance and financial position of each of the aforesaid Associate Companies of the Company included in the consolidated financial statements is presented in the prescribed form AOC-1 as specified under Section 129 of the Companies Act, 2013, which forms an integral part of this Report. The consolidated financial statements of the Company & its Associate Companies for the Financial Year ended March 31, 2024, prepared in accordance with Accounting Standard (Ind AS-110) “Consolidated Financial Statements” prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and financial statements.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

7.1 APPOINTMENT / RE-APPOINTMENT /CESSATION

During the Financial Year under review and till the date of signing of the report, the following changes took place in the Directors/KMPs of the Company:

(a) Shri S.C.K. Patne ceased to be an Independent Director/ Director w.e.f May 2, 2023, consequent to completion of his second term as Independent Director.

(b) Shri Alok Gaur and Shri Ajit Kumar, Directors liable to retire by rotation and being eligible, were re-appointed as Directors of the Company in the last Annual General Meeting held on June 7, 2023.

(c) Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the Members of the Company in their Extra-Ordinary General Meeting held on March 2, 2024 have approved the re-appointment of Shri Alok Gaur as Whole-time Director (Designated as Joint Managing Director & CEO) for a period of 3 years, effective immediately after expiry of his current term i.e. from February 1, 2024 till January 31, 2027.

(d) Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Dr. Pramod Kumar Agrawal as an Additional Director on the Board of the Company w.e.f. April 27, 2024 till date of the ensuing Annual General Meeting and recommended to the Members his appointment as an Independent Director for a term of 5 consecutive years w.e.f. April 27, 2024 to April 26, 2029.

(e) Shri Ramesh Chand Sharma has been appointed as Chief Financial Officer and consequently KMP of the Company w.e.f. April 19, 2023.

Shri Alok Gaur, Joint Managing Director & CEO, Shri Ramesh Chand Sharma, Joint President & CFO and Ms. Ritu Gupta, Company Secretary of the Company continue to be the KMPs of the Company, as per the provisions of Section 203 of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Sunita Joshi and Shri Devinder Singh Ahuja, 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 received from Independent Directors

The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 from the 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.

The Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, confirmed by way of declaration that they have enrolled themselves/ renewed their registration in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

The Board acknowledges the contribution made by the Independent Directors of the Company, with their integrity, expertise and diverse experience (including the proficiency ascertained through online test of IICA), in the growth and development of the Company. In the opinion of the Board, all the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute and they fulfill the conditions of independence as specified in the Act and are independent of the Management.

B. Meeting of Independent Directors

As per the applicable provisions of Companies Act, 2013 read with Schedule IV, a meeting of the Independent Directors was held on January 23, 2024 without the presence of the Non-Independent Directors and members of Management.

The Independent Directors:

(a) reviewed the performance of Non-Independent Directors and the Board as a whole;

(b) reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and

(c) assessed the quality, quantity and timeliness of flow of information, between the Company Management and the Board, necessary for the Board to effectively and reasonably perform its duties.

Independent Directors evaluated the performance and it was unanimously agreed that the performance of each of Non-independent Director and the Board as a whole was very good and adequately met the expectations. Non-independent Directors and the Board as a whole have been discharging their duties to the utmost satisfaction.

While evaluating the Chairman's performance, the Independent Directors came to the conclusion that the performance of the Chairman has been remarkable and commendable and has been of very high order in every situation.

The quality, quantity and timeliness of flow of information between the Company, Management and the Board was also as per expectations to the extent necessary for the Board to effectively and reasonably perform its duties.

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 applicable provisions of the Companies Act, 2013, on the criteria and framework adopted by the Board, based on the manner for effective evaluation as recommended by the Nomination and Remuneration Committee in its Meeting held on April 27, 2024.

The Nomination and Remuneration Committee (NRC) in its Meeting held on April 27, 2024 has made the following recommendations to the Board:

(a) The performance of each and every Director was evaluated on the basis of criteria mentioned in the Nomination and Remuneration Policy and their engagement / contribution to the Board or its Committee, team spirit & consensus building, domain knowledge, inputs in meetings, etc. and was found to be exceptionally good and appreciable. The Committee appreciated the enormous contribution made by Shri Manoj Gaur, Chairman in the overall performance of the Company and for his continued guidance in the

Company's diversification plans. Shri Alok Gaur, Joint Managing Director & CEO was also appreciated for his efforts in the day to day operations of the Company under the guidance of Chairman.

(b) Performance of the Board as a whole was very good. Healthy and meaningful interactions took place amongst the Board Members. The quality, quantity and timeliness for flow of information between the Company management and the Board was open and cordial which enabled the Board to discharge its duties effectively.

(c) The Committees, as constituted by the Board, met at regular intervals and their performance was also found to be very good.

In terms of the applicable provisions of the Companies Act, 2013, the Board has also carried out the formal annual evaluation of its own performance and that of its Committees and individual Directors.

The Board after considering the existing composition of the Board of Directors and its Committees, 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 report, the Board and its Committees regularly met and reviewed the financial and other important statements of the Company. 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 which has been found to be exceptionally good.

9. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2023-24, the Board of Directors met seven times, with requisite quorum, on April 19, 2023, May 6, 2023, June 7, 2023, July 29, 2023, November 6, 2023, January 23, 2024 and March 2, 2024.

The attendance of the Directors at the Board Meetings held during Financial Year 2023-24 is as under:

Name of the Director	Number of Meetings during the year	
	Held/ Entitled	Attended
Shri Manoj Gaur	7	6
Shri Alok Gaur	7	7
Shri S.D. Nailwal	7	7
Ms. Sunita Joshi	7	7
Shri Anil Mohan	7	7
Shri S.C.K.Patne*	1	1
Shri K.V. Rajendran	7	6
Shri Ajit Kumar	7	7
Shri Devinder Singh Ahuja	7	7
Shri Vinod Sharma	7	6
Shri N.K. Grover	7	7

*Ceased to be Director w.e.f. May 2, 2023 consequent to completion of his second term as Independent Director.

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 in accordance with the provisions of the Companies Act, 2013. 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 2023-24, the Audit Committee of the Board of Directors of the Company met five times, with requisite quorum on May 6, 2023, July 29, 2023, November 6, 2023, January 23, 2024 and March 2, 2024.

The constitution of the Audit Committee and attendance of the Members at its Meetings held during Financial Year 2023-24 are as under:

Name of Members	Number of Meetings during the year	
	Held/ Entitled	Attended
Shri S.D. Nailwal, Chairman*	5	5
Shri K.V. Rajendran, Member	5	4
Shri N.K. Grover, Member	5	5

*Appointed as Chairman of the Audit Committee w.e.f. May 3, 2023.

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 judgement 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 2023-24, the Committee met three times, with requisite quorum on April 19, 2023, June 7, 2023 and January 23, 2024.

The constitution of the Nomination and Remuneration Committee and attendance of the Members at its Meetings held during Financial Year 2023-24 are as under:

Name of Members	Number of Meetings during the year	
	Held/ Entitled	Attended
Shri K.V. Rajendran, Chairman	3	3
Shri S.C.K. Patne, Member*	1	1
Shri S.D.Nailwal, Member	3	3
Shri N.K. Grover, Member**	2	2

*Ceased to be Member w.e.f. May 2, 2023

** Appointed as Member w.e.f. May 3, 2023

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. 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. As per the applicable provisions of the Companies Act, 2013, the 'Nomination and Remuneration Policy' as approved by the Board of Directors is available on the website of the Company at *www.kfclkanpur.com.*

Salient features of the NRC Policy are given below:

a) Part A- Policy for selection of Directors including qualifications and criteria for appointment and determining Directors' independence including criteria of independence and other directorships / committee memberships;

b) Part B - Remuneration Policy for Executive and Non-Executive / Independent Directors, Key Managerial Personnel and other employees including the Remuneration structure and criteria of Remuneration.

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 the Rules made thereunder.

During the Financial Year 2023-24, the CSR Committee met once on April 19, 2023. 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/ Entitled	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

CSR Policy as recommended by the CSR Committee and approved by the Board of Directors of the Company 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 2023-24. However, as part of its commitment towards the society and being a responsible corporate and based on the recommendation of the Corporate Social Responsibility Committee, the Company has judiciously spent an amount of Rs. 42.67 Lakhs on CSR activities during Financial Year 2023-24.

The information pertaining to the Company's CSR activities undertaken during Financial Year ended March 31, 2024 is presented in the prescribed format of Annual Report on CSR, annexed as **Annexure-I** 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 March 31, 2024, 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 judgements 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 2023-24 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 Financial Year under review, the Company has not given any loan, guarantee and has not provided any security as prescribed under Section 186 of the Companies Act, 2013. However, the Company has made the investments within the limits prescribed under Section 186 of the Companies Act, 2013. The details of such Investment are set out in Note No. 5 and 9 of the Standalone Financial Statements of the Company.

13. RELATED PARTY TRANSACTIONS

There were no material related party transactions during the Financial Year 2023-24, 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-II** 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 March 31, 2024. Disclosure of transactions with related parties in terms of Ind AS 24 is set out in Note No. 39 of the Standalone Financial Statements of the Company.

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 September 29, 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 March 31, 2024 does not contain any qualification, reservation or adverse remark.

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 March 31, 2025, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder.

The Secretarial Audit Report for the Financial Year ended March 31, 2024 is annexed as **Annexure-III** to this Report. The Secretarial Audit Report for the Financial Year ended March 31, 2024 does not contain any qualification, reservation or adverse remark.

C. Cost Auditors

The Board of Directors on the recommendation made by the Audit Committee 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 2024-25 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 2024-25 along with a certificate certifying their independence and arm's length relationship with the Company.

Pursuant to Section 148(3) of the Companies Act, 2013 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 the aforesaid matter has been included in the Notice of the 14th 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

On the recommendation made by the Audit Committee, the Board of Directors has approved the re-appointment of M/s Arpit Taneja & Associates, Chartered Accountants (Firm Registration No. 025733C) as the Internal Auditors to conduct the Internal Audit of the Company for the Financial Year 2024-25, 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 CONTROLS

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 Auditors 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 of the Company 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. DEPOSITS

During the Financial Year under review, the Company has neither invited nor accepted or renewed any deposit, in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

19. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under Report, the Company was not required to transfer any amount 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.

Ms. Ritu Gupta, Company Secretary, has been appointed as the Nodal Officer of the Company, to deal with matters relating to IEPF.

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- IV** 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 Financial Year under review, 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 adopted an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been constituted and set up by the Company under the provisions of the aforesaid Act. During the Financial Year under review, no complaints were received by ICC.

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 2023-24 is annexed as **Annexure– V** to this Report.

During Financial Year 2023-24, 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 the Holding Company.

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

During the Financial Year under review, no application has been made and no proceeding is pending under Insolvency and Bankruptcy Code, 2016.

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

Since the Company is debt free, the Company has not entered into any one-time settlement with any Bank or Financial Institution during the Financial Year under review.

ACKNOWLEDGEMENT

The Board of Directors express its gratitude for the valuable support extended by Ministries and Departments of Government of India, Central and State Government, particularly the Government of Uttar Pradesh, Ministry of Chemicals & Fertilizers, Department of Fertilizers, Fertilizer Industry Co-ordination Committee (FICC), Kanpur Electricity Supply Co. Ltd., GAIL (India) Limited, Bankers and Auditors of the Company and various other Stakeholders 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

MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place : New Delhi
Date : April 27, 2024

ANNEXURE-I

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

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 being followed by the Management of the Company 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:

(a) 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;

(b) 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;

(c) 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. **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 of the Committee/ Non-Executive Director	1	1
2.	Ms. Sunita Joshi	Member of the Committee/ Non-Executive Director	1	1
3.	Shri K.V. Rajendran	Member of the Committee/ Independent Director	1	1

3. 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

4. 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.

5. 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

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.--			

6. Average net profit of the Company as per section 135(5) : Negative

7. (a) Two percent of average net profit of the Company as per section 135(5) : NIL

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : N.A.

   (c) Amount required to be set off for the financial year, if any : NIL

   (d) Total CSR obligation for the financial year (7a+7b+7c). : NIL

8. (a) 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. 42,67,000/-	--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	
				State	District						Name	CSR Registration number
---------- 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	Financial Assistance to Sardar Patel Uchchatar Madhyamik Vidyalaya	Promoting Education	No	Madhya Pradesh	Rewa	31,00,000	Yes	-	-
2	Construction and Repair of School at Anoopshahr	Promoting Education	No	Uttar Pradesh	Bulandshahr	11,00,000	No	Jaiprakash Sewa Sansthan	CSR00007458
3	Installation of Water Coolers at Atal Residential School (Govt. School)	Preventive healthcare and sanitation	Yes	Uttar Pradesh	Naurwa, Bilhaur, Kanpur Nagar	67,000	Yes	-	-
TOTAL						**42,67,000**			

(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. 42,67,000/-

(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.42,67,000/-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Rs.42,67,000/-
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. 42,67,000/-

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	
---------- N. A. ----------							

(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
--- N. A.---								

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) :

(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) : N.A.

Place: New Delhi
Date: April 27, 2024

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

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

ANNEXURE -II

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 2023-24, which were not at arm's length basis.

Sl. No.	Particulars	Details
a	Name(s) of the related party and nature of relationship	N.A.
b	Nature of contracts/arrangements/transactions	N.A.
c	Duration of the contracts / arrangements/transactions	N.A.
d	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
e	Justification for entering into such contracts or arrangements or transactions	N.A.
f	Date 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 arrangements or transactions at arm's length basis

There were no material contracts/arrangements/transactions with related parties during the Financial Year 2023-24.

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 of approval by the Board	N.A.
f	Amount paid as advances, if any	N.A.

For and on behalf of the Board of Directors

MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place : New Delhi
Date : April 27, 2024

ANNEXURE – III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

[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
Sector 128, Noida-201304 (U.P.)

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, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder as amended;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder as amended: **Not applicable to the Company during the audit period;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;

(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 as amended: **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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended: **Not applicable to the Company during the audit period;**

(f) The 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;**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended: **Not applicable to the Company during the audit period;**

(i) The 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:

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 and Committee Meetings, Agenda and detailed notes on agenda were sent in advance to all the Directors or the Committee members, as the case may be 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 Executives taken on record by the Board of Directors of the Company, in our opinion 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) The Company has obtained the shareholders' approval in the AGM held on 7th June, 2023 for alteration in object clause of the Memorandum of Association ("MOA") of the company in order to insert certain objects for exploring new business opportunities in Logistics and manufacturing & development of healthcare related products and also, in order to align the Object Clause of the MOA of the company with the provisions of the Companies Act, 2013.

(ii) As a token of recognition for the enormous contribution made by the Chairman and guidance of other Non-executive Directors including Independent Directors of the Company, the Company has obtained the shareholders' approval in the AGM held on 7th June, 2023 for payment of remuneration by way of annual commission to the Chairman and other Non- Executive Directors including Independent Directors of the Company for Financial Year 2022-23 and further period of 2 (two) Financial Years, exceeding the prescribed limit of 1% of net profits of the Company but not exceeding the total managerial remuneration limit of 11% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

(iii) The Company has made an investment in the Equity Shares of Quality Health and Education Private Limited ("QHEPL") {Currently known as Bharat Digital Education Private Limited ("BDEPL")} on 14th September, 2023 by acquiring 50% equity stake from JIL Information Technology Limited ("JILIT") and as a result of such investment, BDEPL became an Associate Company of the Company. On 8th November, 2023, the Company has been allotted additional Equity Shares of BDEPL by way of right issue. As on 31st March, 2024, the Company is holding 50% equity shares in BDEPL.

(iv) The Company has made an investment to the tune of 47.92% Equity Shares of Resurgent India Food & Fuel Service Private Limited ("RIFFSPL") on 25th August, 2023 and as a result of such investment, RIFFSPL became an Associate Company of the Company. On 9th December, 2023, the Company has been allotted additional equity shares by way of Preferential Issue. As on 31st March, 2024, the Company is holding 35.47% equity shares in RIFFSPL.

(v) The Company has obtained the shareholders' approval in the EGM held on 11th September, 2023 to contribute towards Bonafide Charitable and Other funds for the financial year 2023-2024, exceeding five percent of the average net profits of the Company for the three immediately preceding financial years in accordance with the provisions of the Section 181 of the Companies Act, 2013.

(vi) The Company has obtained the shareholders' approval in the EGM held on 2nd March, 2024 for alteration in object clause of the Memorandum of Association ("MOA") of the company in order to diversify its business activities.

(vii) The Company has obtained the shareholders' approval in the EGM held on 2nd March, 2024 for re-appointment and payment of remuneration to Shri Alok Gaur (DIN: 00112520) as Whole-Time Director (designated as Joint Managing Director & CEO) of the Company for a further period of three years w.e.f. 1st February, 2024 to 31st January, 2027.

(viii) Following changes took in respect to the composition of Board of Directors and Key Managerial Personnel of the Company: -

S. No.	Name of the Director	DIN/ PAN	Designation	Appointment/Cessation/ Regularization	Date of Appointment/ Cessation/Date of Change
1.	Shri Ramesh Chand Sharma	AIGPS3437D	Chief Financial Officer	Appointment	19th April, 2023
2.	Shri Satish Charan Kumar Patne	00616104	Non-Executive Independent Director	Cessation due to completion of second term as an Independent Director	2nd May, 2023
3.	Shri Narinder Kumar Grover	08543115	Non-Executive Independent Director	Regularization	7th June, 2023
4.	Shri Vinod Sharma	02072969	Non-Executive Director	Regularization	7th June, 2023

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

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
UDIN: F006628F000255778
PR Unique Code: S2006DE715800
PR Certificate No.: 629/2019

Place: New Delhi
Date: 27th April, 2024

Annexure - A

To,
The Members,
Kanpur Fertilizers & Chemicals Limited
Sector-128, Noida -201304 (U.P.)

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. Where ever 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

Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257
UDIN:F006628F000255778

Place: New Delhi
Date: 27th April, 2024

PR Unique Code: S2006DE715800
PR Certificate No.: 629/2019

ANNEXURE - IV

(A) CONSERVATION OF ENERGY (DURING FINANCIAL YEAR 2023-24)

(i) Steps taken or impact on conservation of energy

S. No.	Steps	Investment (Rs. in Lakhs)
1	Ammonia-3 LTS catalyst replaced	216.00
2	Ammonia-1 HTS catalyst replaced	120.79
3	NG fuel based 15TPH steam boiler commissioned for improved steam availability & thus plant performance & reduction of energy consumption	450.00

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

S. No.	Steps	Investment* (Rs. in Lakhs)
1	12 KWp solar roof top power plant with inverter commissioning completed	0.88
2	10 KWp solar system installation and commissioning completed	2

* Investment reported in Financial Year 2022-23

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

(B) TECHNOLOGY ABSORPTION (DURING FINANCIAL YEAR 2023-24)

(i)	Efforts made towards technology absorption;	Indigenous mechanical spares for CO_2 compressors.
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution;	Saving of Rs. 10.17 Crores
(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	Rs. 9.41 Crores*

*Agroinovation R&D centre set up at KFCL, Kanpur

(C) DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No.	Particulars	FY 2023-24 (Rs. in lakhs)	FY 2022-23 (Rs. in lakhs)
a)	Earnings	NIL	NIL
b)	Outgo	134.49	NIL

For and on behalf of the Board of Directors

MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place : New Delhi
Date : April 27, 2024

ANNEXURE - V

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

A) Name of top ten employees in terms of remuneration drawn during the Financial Year 2023-24

S. No.	Name	Designation	Remuneration (Amount in Rs.)	Qualification	Experience (Years)	Date of commencement of Employment in the Company	Age (Years) as on 01.04.24	Last Employment	Equity Shares held in the Company
1	ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	2,30,48,880/- (INCLUDING ARREARS OF SALARY AMOUNTING TO RS. 53,08,000/-)	B.E. (ELECT.)-1983	41.11	01.02.2021	61.05	JAYPEE CEMENT CORPORATION LIMITED	0
2	PRATEEK OM	SENIOR VICE PRESIDENT	44,04,283/-	B.E. (ELECT. & ELECTRONICS)-1985	30.07	10.07.2020	59.09	JAIPRAKASH POWER VENTURES LIMITED	0
3	DR. ARVIND KUMAR GUPTA	PRESIDENT	37,54,698/-	M.SC.-1987 & PH.D.-2003	34.05	18.04.2023	62.01	DRDE (DRDO)	0
4	MUKESH KUMAR	CHIEF GENERAL MANAGER	35,22,480/-	B.COM.-1994 & A.C.M. A.-1996	29.05	01.08.2020	52.09	BHILAI JAYPEE CEMENT LIMITED	0
5	RAMESH CHAND SHARMA	JOINT PRESIDENT & CFO	35,19,800/-	B.COM. -1985 & A.C.M.A.-1990	38.06	01.04.2023	59.02	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	7000*
6	AMITAVA CHANDRA	SENIOR VICE PRESIDENT	33,72,950/-	MBA (MATERIAL MGT.)-2004 & B.SC. (ENG.)-1983	39.09	02.07.2022	61.10	KANPUR FERTILIZERS & CHEMICALS LIMITED	0
7	RAJEEV GUPTA	SENIOR VICE PRESIDENT	33,12,110/-	B.E. -1991 & M.B.A. (MARKETING)-1994	29.08	01.10.2019	55.05	JAYPEE FERTILIZERS & INDUSTRIES LIMITED	0
8	RAJESH KUMAR SINGHAL	VICE PRESIDENT	32,41,099/-	B.E. (CHEM.)-1983	38.01	01.02.2023	61.06	KRISHAK BHARATI COOPERATIVE LIMITED (KRIBHCO)	0
9	SHASHANK JAIN	VICE PRESIDENT	31,45,280/-	B.E. (ELECTRONICS)-1995	29.03	01.11.2015	54.02	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	0
10	MANMOHAN SHARMA	ASSISTANT GENERAL MANAGER	29,67,560/-	PH.D.-2012	16.01	08.07.2016	41.10	NAGARJUNA FERTILIZERS & CHEMICALS LIMITED	0

*Beneficial interest is being held by Jaypee Uttar Bharat Vikas Private Limited

B) Name of the employees working throughout the Financial Year 2023-24 and in receipt of remuneration not less than Rs.1,02,00,000/- per annum and working for part of the Financial Year 2023-24 and in receipt of remuneration not less than Rs. 8,50,000/- per month.

S. No.	Name	Designation	Remuneration (Amount in Rs.)	Qualification	Experience (Years)	Date of commencement of Employment in the Company	Age (Years)	Last Employment	Equity Shares held in the Company
1	ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	2,30,48,880/- (INCLUDING ARREARS OF SALARY AMOUNTING TO RS. 53,08,000/-)	B.E. (ELECT.)-1983	41.11	01.02.2021	61.05	JAYPEE CEMENT CORPORATION LIMITED	0

NOTES:

1. Gross remuneration includes Salary, H.R.A., Contribution to Provident Fund and other perks like Medical Reimbursement, Leave Travel Assistance, Furnishing Allowance and Leave Encashment etc.
2 Information about qualifications and last employment is based on particulars furnished by the concerned employee.
3 The Whole-time Director neither by himself nor along with his spouse and dependent children holds two percent or more of the equity shares of the Company.
4 The nature of employment of employees is regular and is governed as per service rules of the Company. They perform such managerial duties in their respective area of expertise as assigned from time to time.
5 The other terms & conditions of each of the above persons are as per the contract / letter of appointment / resolution and rules of the Company.

For and on behalf of the Board of Directors

MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place: New Delhi
Date: April 27, 2024

Environmental, Social and Governance ("ESG") Report for Financial Year 2023-24

Environment

Environmental stewardship has always been an integral part of our ethos and continues to be a driving force behind our operations. We have undertaken various initiatives to reduce our ecological footprint and drive sustainability. During the reporting year, we have implemented several energy efficiency projects to curb greenhouse gas (GHG) emissions and promote the adoption of renewable energy. Remaining committed to encouraging eco-conscious practices, our water conservation efforts have substantially minimised freshwater intake.

1. Prudent energy management

We understand how crucial it is to optimise energy efficiency and reduce greenhouse gas emissions from our production processes. Over the years, our team has executed numerous energy-saving strategies and deployed several technological advancements aimed at minimising our carbon footprint.

i. Energy efficiency

We have a comprehensive energy management strategy in place to track and report our energy consumption and efficiency in accordance with the Energy Norms established by the FICC(Fertilizer Industry Coordination Committee). We submit energy consumption and production data to the FICC on a quarterly and annual basis, which forms the basis for subsidy release.

To ensure we comply with energy norms, we monitor plant performance round the clock and review production and consumption data regularly. Deviations, if any, are promptly addressed with corrective action.

ii. Some of our energy saving initiatives

We have enhanced our facility by installing energy-efficient burners in our primary reformer furnace and NG PA heaters. These installations are helping us reduce emissions from our stacks and improve the energy efficiency of our plant.

We have taken significant strides towards sustainability by implementing the GV low-heat process. This is not just a technical upgrade; it is our commitment to the environment. This new process is facilitating CO_2 recovery while also reducing our steam consumption.

To raise the percentage of renewable energy in our energy mix, we have installed solar panels in a phased manner and connected them to the grid. Our offices and plants now deploy LED lighting instead of traditional lighting, which has significantly lowered our energy consumption.

85 KWPH Solar power
Generated from a roof-top power plant connected to the grid

Energy Intensity per Rupee of Turnover

FY 2022-23: 146.85 Kcal
FY 2023-24: 170.73 Kcal

The goal is to improve energy efficiency on a yearly basis in order to achieve the target for the fiscal year 2024-25. This will be achieved through sustained operations of plants and reduction in production loss due to plant upsets and equipment breakdown. We are continuously in touch with different Ammonia and Urea technology licensors to discuss, evaluate and explore potential areas for improvement and their feasibility.

Going forward, we aim to focus on the following for optimum energy management-

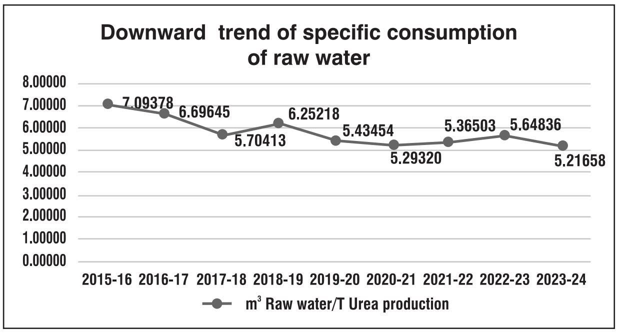
a) Sustain plant operations and reduce production loss due to plant upsets and equipment breakdown. We have commissioned a 15 TPH NG Fired Boiler to improve operational efficiency and address steam limitation concerns.
b) Improve equipment performance to achieve better efficiency and reliability.
c) Explore the feasibility of adopting more renewable sources of energy.

Each of these initiatives may seem incremental, but the compounding effect over time has helped us make tremendous progress in curbing our carbon footprint. We remain dedicated to fostering energy efficiency and exploring new technologies that will enable us to manufacture in an eco-friendly manner; thereby realising our objective of achieving net zero emissions.

2. Effective water management

At KFCL, we are dedicated to minimising our water footprint and ensuring responsible water management. As we prioritise optimum water utilisation, we always seek ways to reduce, reuse and recycle water. Additionally, we track our water usage data and set reduction targets, all while consistently reporting on water consumption. We adhere to stringent pollution prevention and control principles, ensuring effluents undergo proper treatment before release.

i. Water Consumption



ii. Conservation initiatives and future plans

We have implemented several water management initiatives to ensure responsible water use and conservation of this vital resource.

One of our key strategies is reducing freshwater intake. To achieve this, we have installed an Effluent Treatment Plant that leverages the Reverse Osmosis (RO) technology. This plant helps us recycle approximately 90 m^3/hr of treated water back to our cooling towers.

In addition to the RO plant, we have also installed a Hydrolyser Stripper to treat process condensate. The treated effluents from this process are also recycled back to the plant, further reducing our need for fresh water.

The treated water is also utilised for dust suppression and greenbelt development, further reducing freshwater consumption and mitigating environmental impact. Domestic effluent is treated in a STP and the treated water is then used for irrigation within the plant.

We have constructed two water reservoirs within the plant premises for water storage, settlement of sediments and utilizing the rain water. These reservoirs, with capacities of 32 and 64 million gallons and collection surfaces of 34350 m^3 and 56550 m^3 respectively, collect rainwater for use as raw water in the plant. These reservoirs also help to recharge the groundwater table through percolation.

iii. Key highlights for water conservation in FY 2023-24

Wastewater treatment during FY 2023-24

7,66,507 m^3

Wastewater treated from offsites

3,21,453 m^3

Wastewater treated from Urea

Wastewater reused during FY 2023-24

2,34,393 m^3

Reused as makeup in cooling tower

52,578 m^3

Reused in coal yard and ash handling

3,97,560 m^3

Reused as make up water to Cooling towers from Urea

iv. Efficiently managing water-related risks-

- Chemicals and hazardous wastes are handled and stored according to the MSIHC (The Manufacture, Storage and Import of Hazardous Chemical) Rules, 1989 and the Hazardous Wastes Rules, 2016.
- Effluent is contained in above-ground piping and hold-up tanks, which are designed to prevent soil and groundwater contamination.

Looking ahead, we aim to minimise water consumption to the lowest feasible level. As outlined in our energy efficiency measures, an increase in productivity will result in lower water consumption per metric tonne of product. We are dedicated to maintaining our effluent quality within the Minimal National Standards ("MINAS") formulated by Central Pollution Control Board ("CPCB").

3. Responsible waste management

We are an eco-conscious organisation and have always prioritised pollution prevention over pollution control. At KFCL, we are committed to protecting and enriching the environment and conserving natural resources. To strengthen our waste management system, we focus on identifying different categories of waste and developing proper disposal mechanisms.

Certified ISO 14001 Environment Management System

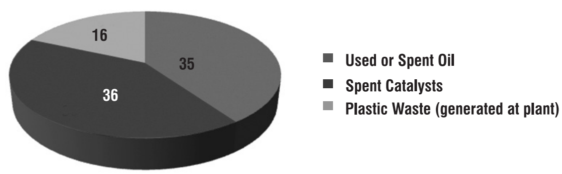
We have been authorised to store and dispose of hazardous waste in accordance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. We ensure that Hazardous Waste (HW) is correctly tagged and that it is stored (until disposal) in strict conformity with applicable rules. Further, we track HW until it is disposed of within the specified waste disposal timelines.

Registered under the Plastic Waste Management Rules 2016 for Extended Producer Responsibility, we ensure the complete processing of plastic waste before their end-of-life disposal.

Waste segregation data

Sl. No	Category of Hazardous Waste	Quantity Sold (MT/Annum)
01	Used or Spent Oil	35
02	Spent Catalysts	36
03	Plastic Waste (generated at plant)	16

HW Disposal Quantity FY 2023-24 from Plant (Qty. in MT)



i. Sustainable waste management and resource optimisation at KFCL

Some of our waste management practices are mentioned below-

a) We use **100%** recyclable HDPE (High Density Polyethylene) bags for packing.

b) We employ **environment-friendly logistics.**

c) 98% of finished goods are transported via rail in covered wagons and the remaining **2%** are transported in covered trucks.

As part of our efforts to manage hazardous waste, we have taken the following measures-

a) We undertake the disposal of catalyst and spent/used oil through the CPCB-authorised (Central Pollution Control Board) / MoEF (Ministry of Environment and Forests) agencies/vendors.

b) We recover waste oil for reuse in the plant, reducing the need for fresh oil.

c) We have signed an agreement for disposing of hazardous waste to the Common Hazardous Waste-treatment Storage Facility (CHW-TSDF) site of M/s Uttar Pradesh Waste Management Project.

d) We have also signed an agreement for the disposal of Bio Medical Wastes to the Medical Pollution Control Committee (MPCC) in line with UPPCB(Uttar Pradesh Pollution Prevention Control Board)/CPCB guidelines.

e) We prepare an on-site DMP (Debris Management

Plan) to minimise damage, covering select accidents and occurrences. Mock drills are also conducted and improvements are made wherever necessary.

4. **Managing GHG emissions**

Our focus extends beyond profitability to ensure that we conduct our operations responsibly. With rising awareness about climate change, we are also sharpening our focus on eliminating greenhouse gas emissions from our operations. Our priority is to not merely comply with regulatory standards but also to exceed them. We have executed robust strategies that aim to promote the adoption of responsible business practices, all with the objective of contributing to a healthier planet.

135
High efficiency burners installed in reformers

83.89% efficiency
AFBC(Atmospheric Fluidised Bed Combustion) boiler installed for more efficient steam generation vs. old CPP (Captive Power Plant) boilers

i. **Monitoring GHG Emissions and ensuring compliance**

Regular monitoring of stack oxygen content is carried out to control GHG emissions. We have set up online monitoring systems for tracking effluent and emissions from stacks. The data is then shared with the UPPCB and CPCB servers in real-time. Regular monitoring and analysis of effluent parameters and emissions are also conducted by authorised laboratories, and the reports are submitted to the UPPCB and CPCB.

ii. **Initiatives undertaken to curb emissions**

The three ammonia plants have primary reformer stacks, which contribute to the majority of our GHG emissions. To address this, we have taken several actions-

a) The feedstock has been changed from Naphtha to Natural Gas (NG), a greener fuel. Owing to the lower carbon to hydrogen ratio of natural gas, less carbon dioxide is released into the environment.

b) The primary reformers now use high-efficiency and low NO_x burners to reduce the Carbon dioxide and NO_x emissions.

c) NG PA heaters have been installed to minimise stack emissions.

d) A more efficient AFBC Boiler has replaced the less efficient CPP Boilers for steam generation.

e) A 15 TPH, Natural Gas Fired Boiler has been installed.

f) To further reduce the level of CO_2 in the surrounding atmosphere, a large area has been made into a green belt and is being maintained.

g) 4 Nos. Electric Cars purchased during FY 2023-24 to replace Diesel Cars which reduce emission of GHG Gases substantially.

5. **Preserving biodiversity**

Conserving biodiversity is an ethical imperative we abide by for reaching our long-term sustainability goals. We aim to conserve nature and its resources by safeguarding habitats, reducing pollution, raising awareness and conducting research. We believe that when we nurture biodiversity, we invest in our collective future.

Some of our actions for biodiversity protection and restoration include-

i. **Greenbelt development**

In our endeavour to foster sustainability, we conduct reforestation drives and undertake biodiversity conservation initiatives. We have developed a greenbelt area and continue to expand it under the Greenbelt Development Programme. This has increased plant diversity and enhanced the avifauna habitat.

Greenbelt area developed near premises with native fast-growing trees as well as fruit bearing trees.

ii. **Water management**

Rainwater collected in the reservoirs is reused in the plant. The reservoirs help in sustaining habitats by maintaining stable water levels.

96 million gallons
Consolidated capacity of on-site water reservoirs

iii. **Waste management**

Effective waste management is our priority. We ensure that there is no disposal of wastewater on land. Hazardous wastes are stored in a designated area with impervious flooring and a shed. A spillage / leakage collection system is also in place to prevent rainwater contamination and potential overflow or spillages that could lead to land or soil contamination.

Social

As a responsible corporate citizen, we aim to create a meaningful social impact across our business activities and value chain. By empowering local communities with education, skills training and healthcare facilities while developing infrastructure in rural areas adjacent to our operations, we strive to generate positive social outcomes. Further, to preserve cultural heritage we undertake art restoration initiatives and empower people within and outside our operations.

For ensuring employee well-being, we adopt fair practices and policies to provide safe and inclusive working conditions. We organise training programmes to enable continued learning and development of our personnel, cultivating a culture of growth and offering upskilling opportunities. Moreover, we encourage supplier diversity, collaborate with partners to uphold ethical standards, adopt responsible procurement practices and sustainable supply chain management.

1. **Prioritising occupational health and safety**

At KFCL, we are dedicated to cultivating a culture of safety. Towards this end, our approach goes beyond adhering to regulations,including proactive risk management, ongoing enhancement and sharing collective responsibility among all team members. We enforce strong safety measures, offer comprehensive training and openly communicate with our personnel to enhance their awareness about workplace safety. Mentioned below are some of the measures we undertake to prioritise health and safety-

Comprehensive Policies: We have a robust Occupational Health and Safety (OHS) and Environment Policies in place. These policies cover regular safety training, hazard assessments and emergency response protocols.

24/7 Health Centre: Our Occupational Health Centre (OHC) operates round the clock within our premises. It is equipped to handle emergencies and promptly address the health needs of our employees.

Preventive Measures: Regular health check-ups are conducted at the OHC. During the pandemic, we organised vaccination programmes for all our team members.

Behaviour-based Safety: Our entire work forces undergoes training covering safety-best practices.

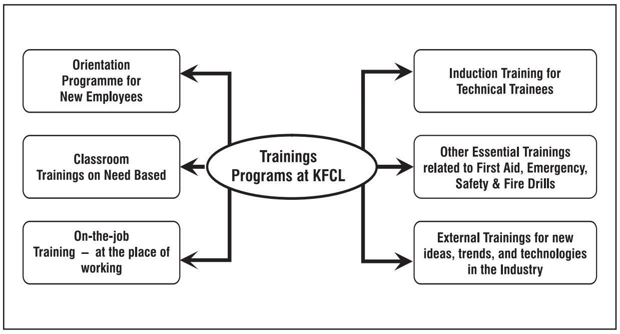
Risk Management: To prevent workplace accidents and illnesses, we-

a) Set clear safety rules
b) Provide safety training to all team members
c) Regularly assess risks within our plant
d) Maintain both onsite and offsite emergency plans.

i. Making training and development consistent

At KFCL, a culture of continuous learning and development is always encouraged as trained and developed employees are imperative for the success of any organization. In order to achieve this, various in-house and external training and development programmes are conducted throughout the year for our employees to develop their job-specific skills and enhance their knowledge.

ii. Training programmes



a. Orientation programme - Through this, we welcome and inform new hires about our vision, values, culture, policies, procedures and structure.

b. Classroom training -These types of training programs are conducted by internal faculties and through an Annual Training Calendar. The Annual Training Calendar allows departments to identify training needs and formulate training topics that cater to these specific needs. After finalization of training topics, Annual Training Calendar is prepared and the schedule is circulated to all concerned on annual and monthly basis.

Total 119 Nos. of Class Room Trainings were conducted during the financial year 2023-24 in which Total 1141 participants attended the trainings and 171 training hours were imparted.

The training modules in 2023-24 were covered majorly from Ammonia Technologies - Different Processes, Compressors & Synthesis of Ammonia – Recovery, Different Technologies for Urea Manufacturing, Cooling Towers Operation, Water Treatment Plant, Electrical Emergency Power Supply System, Electrical Hazards, Safety & First Aid, Effluent Treatment Plant, Brief Description of CPP, CFB & AFBC Boilers, ESP Operation & Ash Handling Operation, Ammonia Storage System Logic and Process Interlock, Best Maintenance Practices in Fertilizer Plant, Environmental Management at Site, Behaviour Based Safety, Safety Work Permit System, Demo & Use of Fire Fighting Equipments, Demo & Use of Chlorine Emergency Kit, Procedure for Gas Analysis, Product Urea Analysis, Water Testing, Coal Sampling & Testing, Pollution Control in KFCL, Procedure for Soil Sample Testing, Quality Control of Product Urea, Energy Efficiency / Ammonia Loss /Steam Balance / Power Consumption-Ammonia, Energy Conservation, Basic and Advance Excel, Controlling Contractor's Environmental Performance, Solid Waste Management at KFCL, Waste Oil Generation Control, Oil Reclamation and Disposal, Effluents Management in Ammonia Plant, Effluents Management in Urea Plant, Waste Catalyst Management, E-Waste Management, Management of Battery Rules, Environmental Monitoring at KFCL, EMS Awareness Programme for CPP, ISO Awareness.

c. On-the-job training- On-the-job training is a practical training method focused on hands-on approach in a live training environment where employees learn applicable skills for their role in the workplace under the guidance of their supervisor or mentor.

Total 627 Nos. of On-the-Job Trainings were conducted during the financial year 2023-24.

Major topics covered under this category were BFW Turbine Start-up, Interlock System, CO2 System, Burner Management System, Ammonia Recovery, Primary Reformer Start-up, HSU Start-up, GA-702 for Suction Strainer cleaning, Ebara Pump, Inert Gas Plant, Oxygen Plant, Cooling Tower, Ash Handling Plant & Bag Filter Operation, CPP Boiler Aux. Trips Start-up & Export, Utility Section Aux. Trips Start-up & Cooling Tower, AFBC Boiler Aux. Trips Start-up & Export, New CHP & Old CHP Operation, CFB Boiler Aux. Trips Start-up & Export, Boiler Feed Pump & Deaerator.

d. Induction training- Induction Training is designed for newly joined trainees that helps them to acquire the necessary technical skills & knowledge they need to perform their job duties and to quickly adapt with the working culture and systems.

This training program is designed by technical team and includes 15 days (90 hours) intensive training on the major topics related to all plant processes, functions, activities, safety and quality standards. This training program is conducted in batches and the frequency of this program depends upon the number of trainees joined in a time span.

2 Nos. of Induction trainings were conducted during financial year 2023-24 in which 34 trainees attended the trainings and 180 hours of training were imparted.

e. External Training Programs

External training programs are conducted for helping our employees to learn new ideas, trends, better techniques in operations & maintenance and technologies in the Industry. This approach fosters innovation and enhances our business resilience.

During the financial year 2023-24, total 11 Nos. of External Trainings were conducted in which 173 participants attended the trainings and 170 hours of training were imparted in External Trainings.

External training programs covered in 2023-24 were Workshop Cum Training on Corrosion Engineering, Document Management System, Emergency Response/ Rescue Training, Machine Safety, Basic Life Support & First Aid Procedures, NG Boiler Operations, Hazards Identification Techniques And Risk Assessment, First Aid Training, Role of Housekeeping To Improve Safety In Industries, Fertilizer Orientation Programme, Conference On Chemical Biological, Radiological, Nuclear & Industrial (CBRNI) Disaster Management.

Training faculties for above training programs includes Fertilizer Association of India, Regional Labour Institute, Indian Red Cross Society, Microtech Boilers Private Limited, Geologix Technosoft, Govt. Officials and others.

f. **Other training-** These include On-Site Emergency, First Aid and various Safety and Fire Mock Drills. These initiatives create awareness among employees and help them learn the proper responses in emergency situations.

iii. **Tracking and reporting on training performance**

We carry out trainings in accordance with the Annual Training Calendar and track them based on their schedules. A weekly report on the training sessions conducted is shared with the management, in addition to an Operational Review Meeting (ORM) organised every month. After each training session, each participant is urged to provide feedback in a specific format. The HOD then evaluates the trainee four to five weeks after the training is completed to assess its success.

2. **Building a diverse team**

We believe diversity to be the true game changer in our value creation process and therefore, we welcome people from varied backgrounds, cultures and expertise, to encourage creativity, innovation and resilience. Our strong commitment to inclusive recruitment not only enriches our teams but also strengthens our capacity to tackle complex problems. We recognise that diversity is not just an objective—it is our compass guiding us toward long-term success.

We prioritise creating an inclusive and respectful workplace for all our people. Here is how we achieve this-

a) **Fair Recruitment Practices:** We promote diversity by ensuring our recruitment and hiring processes are fair and equal. Every candidate is given an equal opportunity.

b) **Respectful Culture:** We treat all employees with respect, valuing their ideas and contributions. Equal growth opportunities are provided to everyone, regardless of their background.

c) **Celebrating Traditions:** Our Holiday List includes festivals from various religions and cultures. Employees can take time off to celebrate their preferred festivals or cultural events.

d) **Tracking and Reporting:** We continuously monitor our diversity and inclusion efforts. So far, there have been no adverse remarks from government officials or employees.

Equal Opportunities for Advancement:

Our focus extends beyond hiring to encompass talent development. We have put in place strategies that emphasise nurturing talent, irrespective of caste, colour, religion, or gender. Our objective is to help our employees realise their full potential and grow within our organisation.

We are committed to fostering a culture of inclusivity and equal opportunity, where everyone has a fair chance to succeed. We believe that by doing so, we are not only building a stronger organisation but also contributing to a more equitable society. We are excited about the journey ahead and look forward to seeing our people thrive and lead us into the future.

3. **Adhering to labour practices and human rights**

We maintain high standards of labour practices and human rights and have implemented several policies and practices to ensure the welfare and safety of our teams.

i. **Policies in place**

We have implemented various measures to protect our employees and their rights. We cover all eligible employees through statutory welfare schemes and have an emergency quick response first aid facility on the plant premises. Employees who work inside the plant or in vulnerable locations are supplied with personal protective equipment. We additionally offer subsidised mess and canteen facilities, as well as transportation services, to all interested personnel. Our team members receive regular safety training.

ii. **Tracking and reporting**

Our commitment to upholding labour laws and human rights is reflected in our proactive approach for compliance and continuous improvement. A management audit team is in place to monitor management deviations and suggest corrections. All employees are covered under a Group Personal Accident policy. We adhere to timelines for payment of wages and other statutory dues to all employees. Our internal audit team ensures that statutory and welfare obligations are met in time. We follow labour laws and rules to facilitate best labour practices. Also, we keep ourselves updated and follow all government directives, labour journals and gadgets to uphold human rights and adopt best labour practices.

iii. **Future goals**

Aiming to achieve zero employee conflicts, we have in place a well-notified grievance redressal procedure. We follow the Payment of Wages Act, Minimum Wages Act, Factories Act, Industrial Disputes Act, Employees Compensation Act and more. Safety compliance is periodically reviewed and additionally, we monitor accidents and near misses. The health condition of all employees is tracked and medical advice on health matters is provided to minimise illness. Our ultimate goal is to achieve a zero-accident record.

4. Upholding our social responsibility

We are a part of the esteemed Jaypee Group. Aligning with our Group's overarching commitment to CSR, we fulfil several targeted Corporate Social Responsibility (CSR) projects for the betterment of society. We adhere to guidelines to ensure that we dedicate a portion of our profits to the implementation of social projects. Moreover, we ascertain that appropriate procedures and adequate reporting are in place to identify improvement areas for serving our communities better and creating maximum impact.

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and based on calculation under Section 198 of the Companies Act, 2013 of the average net profits of the Company earned during the immediately preceding three financial years i.e., 2022-23, 2021-22 and 2020-21, the Company was not required to incur any expenditure on CSR activities during the Financial Year 2023-24.

However, during Financial Year 2023-24, the Company has voluntarily spent an amount of Rs. 42.67 Lakhs on CSR activities falling within the purview of Schedule VII to the Companies Act, 2013, as recommended by CSR Committee.

i. Planning and implementation

In line with our senior management's commitment to nurturing stronger communities and powering a greener tomorrow for all, we integrate CSR into our overall business strategy and operations.

As a company, we have two choices we can either run things ourselves or team up with a trust, society, or another company that is not part of our corporate group. But we are selective about who we work with. We only partner with groups that have at least three years of experience in managing similar projects.

Once we decide to work with these groups, we ensure that our expectations and objectives are well-defined. We plan the projects, the budget as well as track our progress and report results. Also, we are open to working with other companies on projects or Corporate Social Responsibility (CSR) activities. However, we ensure that each company can report on these projects independently. We adhere to the CSR Rules, which are part of the Companies Act, 2013 and stay abreast of changing regulations.

We are rolling out a series of projects across different districts in Uttar Pradesh. Our objective is to encourage education, sharpen vocational skills for better job opportunities, eliminate poverty and safeguard our national heritage, art and culture. All our initiatives mentioned are in line with Schedule VII of the Companies Act, 2013.

ii. Some of our CSR endeavours are-

a) Initiatives for healthcare, education and sanitation.

b) Our past CSR programmes encompass plantation activities, providing water coolers to schools and helping develop the infrastructure of schools in remote regions.

c) We have renovated a government basic school, installed hand pumps in a nearby village and installed public lavatories in the village and city.

d) In the last three years, we have voluntarily undertaken several CSR initiatives, including contributing to Covid Care, providing sports facilities to an Aanganwadi Centre in Kanpur and offering smart boards and lab equipment to schools.

e) We also support farmers and villagers in developing sustainable livelihood options.

Governance

Our Corporate Governance philosophy prioritises transparency, accountability and integrity, ensuring ethical business conduct. Additionally, our Board of Directors guides our strategy, performance and sustainability initiatives. Board Committees provide focused oversight on audit, risk management and remuneration matters. Robust internal controls and regular audits help ensure compliance and address potential risks, ensuring that we fulfil our obligations to stakeholders.

Our policies on business ethics, anti-corruption and whistleblowing are instrumental in fostering integrity and transparency throughout operations. We mandate regular training for employees on governance practices and regularly engage with our shareholders, ensuring that shareholders have access to relevant information.

1. Led by a visionary Board of Directors

Our Board of Directors is responsible for identifying, evaluating and managing all significant risks and uncertainties that can impact us and may threaten our existence. The Risk Management Policy of the Company alongwith our overall Risk Management System and processes, govern how the associated risks are identified, managed and addressed.

i) Shri Manoj Gaur (Chairman)
ii) Shri Alok Gaur (Jt. Managing Director & CEO)
iii) Shri Shyam Datt Nailwal (Director)
iv) Ms. Sunita Joshi (Director)
v) Shri Anil Mohan (Director)
vi) Shri D.S. Ahuja (Director)
vii) Shri Ajit Kumar (Director)
viii) Shri Vinod Sharma (Director)
ix) Shri K.V. Rajendran (Independent Director)
x) Shri Narinder Kumar Grover (Independent Director)

* Subsequent to the year ended March 31, 2024, Dr. Pramod Kumar Agrawal has been appointed as an Additional Director (Independent) on the Board of the Company w.e.f. April 27, 2024, based on the recommendation of Nomination and Remuneration Committee.

i. Independent and Woman Directors

In line with the stipulations of the Companies Act, 2013, we are committed to appointing a specific number of Independent and Woman Directors to our Board. This commitment ensures diversity and helps foster inclusion. Our Independent Directors are individuals with no substantial affiliations with us, a factor that guarantees impartial decision-making. This approach is integral to our governance structure and underpins our dedication to unbiased and effective leadership.

The Board of Directors of the Company is held accountable for its actions by various mechanisms and its performance is often evaluated through structured processes in place, such as-

a) We conduct an annual performance evaluation for the Board and its Committees, in which the Independent Directors, NRC Committee and Board carry out the evaluation of its own performance and that of individual Directors. The same is also included in the Board's Report.

b) The Board is also accountable to the shareholders by engaging in General Meetings to address their concerns and resolve their queries.

c) The Board is accountable for ensuring that we comply with relevant laws and regulations.

ii. Policies for identifying and managing conflicts of interest within the Board and management

We ensure effective corporate governance, which helps craft and implement policies to identify and manage conflicts of interest within the Board and management. We are committed to maintaining the highest standards of ethical conduct and transparency:

a) Code of Ethics and Conduct- We have adopted a comprehensive code of ethics and conduct that guides all our operations.

b) Annual disclosures- Our Directors are required to make annual disclosures, which are documented in the Board Minutes. These disclosures include their financial interests, relationships and transactions that could potentially lead to conflicts of interest.

c) Independent Directors- Our Board includes Independent Directors who are not influenced by personal or financial relationships with the Company. Their presence helps mitigate any potential conflicts of interest.

d) Policy on the appointment and remuneration of Directors- We have instituted a Nomination and Remuneration Policy. This Policy outlines the procedures for appointment and remuneration, along with the criteria for determining qualifications, positive attributes and other relevant matters.

e) Vigil mechanism- We have established a vigil mechanism to foster an open work environment. This mechanism enables our Directors and employees to report any genuine concerns, grievances, misconduct, malpractice, fraud, or unethical behaviour without fear of retaliation. It provides adequate safeguards against victimisation and facilitates direct access to the Chairman of the Audit Committee. This mechanism is also accessible from our website.

iii. Board composition

Our Board of Directors is composed in adherence to the guidelines of the Companies Act, 2013. This ensures a well-structured and legally compliant Board composition.

To ensure the independence of our Board members and to keep them free from conflicts of interest, we have implemented the following measures:

a) Every independent director provides a declaration at the first board meeting they participate in each financial year. This declaration confirms that they meet the criteria of independence as outlined in section 149(6) of the Companies Act, 2013.

b) The Nomination and Remuneration Committee (NRC) assesses the independence of directors at the time of appointment or re-appointment. The Board also reassesses determinations of independence whenever a director discloses new interests or relationships.

To ensure that our Board members possess the necessary skills and experience to effectively govern the Company, we have adopted the following practices-

a) The NRC and the Board review the required skills, knowledge and experience of the Board as a whole and its individual members every year. The objective is to have a Board with a diverse background and experience relevant to our operations.

b) While evaluating the suitability of individual board members, the NRC considers factors such as understanding of our business dynamics, educational and professional background, personal and professional ethics, integrity, values and willingness to devote sufficient time and efforts in carrying out their duties effectively.

c) The NRC evaluates each individual with the objective of having a group that best enables our organisational success.

These practices ensure our Board that is independent, skilled and capable of steering us ahead.

2. COMMITTEES OF THE BOARD

To provide detailed and necessary assistance in the Company's matters, the Board has constituted various Committees in accordance with the provisions of the Companies Act, 2013 (Act). 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

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.

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 judgement 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. Approval 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

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.

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.

iii. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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.

3. Ensuring transparent reporting

Ensuring transparency and accuracy in financial reporting is crucial for sustaining the trust of our stakeholders, including investors, regulators and the public. Various practices are implemented to realise this objective. Here are some of the key practices-

a) Adoption of GAAP: We ensure compliance with recognised accounting standards, including the GAAP (Generally Accepted Accounting Principles), which help guarantee uniformity and comparability in financial reporting. These standards offer a framework for documenting and presenting financial data, minimising the chances of misinterpretation.

b) Implementation of internal controls: The establishment of strong internal controls aids in averting inaccuracies and fraudulent activities. These controls encompass the division of responsibilities, authorisation procedures and checks and balances to guarantee precision in financial reporting.

c) Conducting independent external audits: Frequent external audits carried out by independent auditors offer an impartial evaluation of our financial statements. External auditors scrutinise financial records and internal controls to validate the correctness and fairness of the disclosed financial data.

d) **Comprehensive financial statement disclosures:** We offer exhaustive and transparent disclosures in financial statements to assist stakeholders in comprehending the rationale behind financial reporting decisions. Disclosures encompass significant accounting policies, uncertainties and any potential risks or contingencies.

e) **Establishment of whistle-blower programmes:** We have established systems for employees to voice concerns about financial reporting misconduct or irregularities, promoting transparency. Moreover, whistle-blower programmes aid in identifying and addressing concerns before they escalate.

f) **Transparent communication with stakeholders:** We ensure prompt and transparent communication with stakeholders, including investors and regulators.

g) **Deploying advanced technologies and automation:** By employing cutting-edge accounting software and automation tools, we diminish the risk of manual errors in financial reporting. Also, the implementation of best-in-class technologies helps augment the accuracy and efficiency of financial reporting processes.

h) **Undertaking internal and external assessments:** Periodic internal reviews of financial statements by finance and accounting teams aid in identifying potential concerns. External parties, such as auditors, also review the financial reports to offer additional perspectives.

i) **Providing regular training and learning opportunities:** We undertake continuous training for finance and accounting personnel, ensuring that they stay abreast of accounting standards and comprehend the significance of accurate financial reporting. Training also assists employees in recognising potential red flags and resolving concerns proactively.

j) **Ensuring Board oversight:** The Boards of Directors play a pivotal role in overseeing financial reporting. Board committees, such as the audit committee, offer additional scrutiny and governance over financial reporting processes.

4. Stakeholder engagement

Engagement with stakeholders is a crucial aspect of our operations. We maintain open and transparent channels of communication with all our stakeholders, including investors, team members and the public.

We have adopted a multi-channel approach to share information with our stakeholders. This includes-

a) **Website:** Our website serves as a comprehensive source of information, providing stakeholders with easy access to key details about our operations and financials etc.

b) **E-mail:** E-mail communication allows for direct and timely interaction with stakeholders. It enables us to efficiently share updates and relevant information.

c) **Annual Report:** The annual report provides a detailed overview of our performance over the past year. It includes financial statements, operational highlights and strategic insights, offering stakeholders a comprehensive understanding of our progress and future plans.

By leveraging these channels, we ensure that our stakeholders are well-informed and engaged.

5. Complying with legal and regulatory requirements

We recognise that adhering to all applicable laws and regulations is essential for exercising robust corporate governance. Our Board and management team prioritise ensuring compliance and upholding ethics in all operational aspects. We use a compliance software called ‘Complinity’ to track compliance with all applicable laws. This software holds every individual in the Company accountable for ensuring compliance. In case of non-compliance, the concern is escalated to the designated senior official. Further, we address risk according to our Risk Management Policy.

To ensure the effectiveness of our compliance efforts and maintain proper documentation, we have adopted a systematic approach. Certificates certifying compliance with applicable laws are issued by designated persons, such as the Whole-time Director, Occupier, CFO, CS and other officials. These certificates are presented to the Board on a quarterly basis, ensuring that our compliance efforts are well-documented and transparent.

We ensure compliance with several legal and regulatory requirements, including the Companies Act, 2013, the Depositories Act, 1996 and the regulations and bye-laws framed thereunder, as amended from time to time. Also, we adhere to all industry-specific laws.

The enforcement of ethical norms and adherence to regulatory mandates involves a blend of various strategies, processes and supervisory measures, such as-

a) **Guidelines and protocols:** These serve as a roadmap for our personnel and stakeholders, by clearly stating relevant rules and our expectations of them.

b) **Ethical framework for Independent Directors:** This document delineates the values and principles that Independent Directors are expected to uphold.

c) **Learning and development:** Frequent educational programmes are conducted to inform our team members about ethical norms and regulatory mandates. These sessions ensure that employees are cognisant of the rules and comprehend their roles in maintaining compliance.

d) **Inspection and auditing:** Internal and statutory audits are conducted to assess and keep track of our adherence to ethical norms and regulations. We are also undergoing a Management Audit.

e) **Secretarial and compliance units:** We have a specialised secretarial and compliance unit tasked with interpreting and executing the compliance mandates to ensure that the organisation operates within legal limits and adheres to ethical norms.

f) **Board supervision:** The Board of Directors plays a pivotal role in supervising ethical behaviour and compliance.

g) **Risk mitigation:** Considering ethical and compliance considerations while determining the organisation's comprehensive risk management strategy helps identify and alleviate potential risks. Regular risk evaluations can pinpoint areas where the organisation might be susceptible to ethical breaches or regulatory infringements.

h) **Ongoing enhancement:** We are committed to periodically reviewing and updating our strategies for enforcing ethical norms and compliance.

Stringent Organisational Policies for Responsible Conduct

We have implemented several statutory and non-statutory policies to guide our operations and ensure compliance to applicable laws. Some of these policies include-

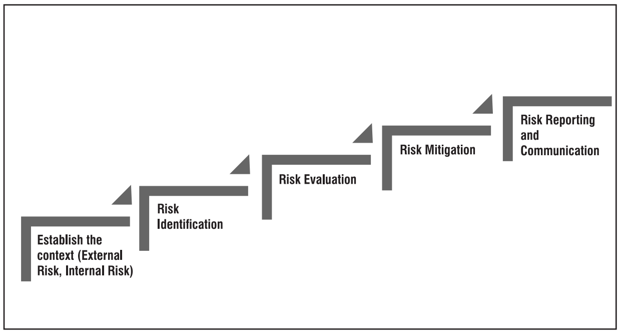
a) Nomination and Remuneration Policy
b) Risk Management Policy
c) Whistle Blower Policy & Vigil Mechanism
d) Corporate Social Responsibility (CSR) Policy
e) Anti - Sexual Harassment Policy

These policies ensure that we operate in a manner that is compliant with legal requirements and aligned with best practices.

6. Proactively mitigating risks

We consider proactive risk mitigation to be essential for long-term success. By integrating ESG-driven risk assessment into our decision-making processes, we prioritise identifying emerging risks, enhancing our operations and developing strategies to mitigate potential threats. Whether addressing environmental challenges, social responsibilities, or governance practices, a commitment to sustainability helps us ensure resilience, drive responsible growth and make a positive impact on all stakeholders and the planet.

We are following a comprehensive risk management approach to identify, evaluate and mitigate potential risks effectively. The approach comprises the following key steps-



a) **Establishing the Context**

We begin by defining the objectives of the risk management process and understanding the nature of risks, including external factors beyond our control and internal factors within our operations.

External Risks:

i) Economic slowdown and market fluctuations
ii) Foreign currency exchange rate volatility
iii) Threats to business continuity due to natural disasters, political instability, or social unrest
iv) Changes in government policies or lack of political support

Internal Risks-

i) Key personnel risks, such as sudden or prolonged absence of critical managerial staff
ii) Non-compliance with applicable laws and regulations
iii) Use of outdated technology
iv) Inability to anticipate and meet customer requirements
v) Financial risks

b) **Risk Identification-**

We identify potential risks by analysing the market environment, legal and regulatory landscape, socio-political factors and our strategic and operational objectives. Risks are categorised into various types, including environmental, business interruption, legal non-compliance, operational, investment, efficiency, profitability, asset health and subsidy risks.

c) **Risk Evaluation-**

The identified risks are evaluated against established risk criteria, considering factors such as associated costs and benefits, legal requirements, socio-economic and environmental implications. This evaluation helps determine the significance of each risk to the organisation.

d) **Risk Mitigation-**

Based on the risk evaluation, we select and implement appropriate risk treatment measures, which may include:

i) Acceptance: Deciding to proceed with the existing risk if it is governed by external factors or if the cost of mitigation is higher than the risk implications.
ii) Transfer: Transferring the risk to a third party, where necessary, through insurance or other risk-sharing mechanisms.
iii) Reduction: Developing and implementing mitigation plans to reduce the impact of identified risks on the organization.

e) **Risk Reporting and Communication-**

We encourage effective communication and have reporting mechanisms for risk management. Key risks are discussed in committee meetings, and if necessary, presented to the Board of Directors for further guidance and oversight.

By following this structured risk management approach, we proactively identify, assess and address potential risks; thereby, ensuring business continuity, compliance and long-term sustainability.

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kanpur Fertilizers & Chemicals Limited

Opinion

We have audited the accompanying standalone financial statements of **Kanpur Fertilizers & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2024, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the 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, 2024 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 Standalone 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 standalone 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.

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	**Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy** i. During the FY 2023-24, company recognized the total subsidy of Rs. 2366.90 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. ii. The subsidy due from Government of India at the end of FY 2023-24 stood at Rs. 260.24 crores. During the FY 2023-24, the company received Rs. 2639.68 crores as subsidy on account of urea, Freight and 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	**Our procedures included the following:** i. 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. ii. 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. iii. Assessment of the basis of judgements that management has made in relation to the notifications/ policies including past precedence and subsequent evidence, as applicable. iv. 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. v. 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

S. No.	Key Audit Matters	Auditor's Response
		vi. 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.

Information Other than the Standalone 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 Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Responsibility of Management for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 standalone 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 Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS standalone 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.

g) 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.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS standalone financial statements. - Refer Note 39 to the Ind AS standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. (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.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 Kumar Vats)
Partner
M.NO. 527922
Date : 27.04.2024
Place : New Delhi
UDIN : 24527922BKGEHA1600

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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 standalone 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone 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, 2024, 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
For Sharma Vats & Associates
Chartered Accountants
Firm Registration No. 031486N
(CA Manoj Kumar Vats)
Partner
M.NO. 527922
Date : 27.04.2024
Place : New Delhi
UDIN : 24527922BKGEHA1600

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 2024.

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 companyy
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 not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has made investments in, Companies and not granted unsecured loans to other parties, during the year, in respect of which:

A) The Company has not provided loans and advances in the nature of loan and not stood guarantee or not provided security to any other entity during the year. Hence, reporting under clause 3(iii)(A) is not applicable

B) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

C) Reporting under clause 3(iii)(C) is not applicable.

D) Reporting under clause 3(iii)(D) is not applicable.

E) Reporting under clause 3(iii)(E) is not applicable.

F) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

(iv) The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. The Company has not granted any loans as per Sections 185. Therefore, the same is not applicable for the company.

(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 2023-24 was yet to be concluded at the time of submission of our report.

(vii) (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount of Demand (Rs. in Lakhs)	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.31	2018-19	Assessing Officer
Income Tax Act, 1961	Income Tax	5.38	2017-18	NFAC#
Income Tax Act, 1961	Income Tax	0.91	2023-24	Assessing Officer
CGST Act, Bihar GST Act and IGST Act	GST and Interest	115.73	2019-20	## State Bench of Goods and Service Tax Appellate Tribunal
CGST Act, Bihar GST Act and IGST Act	GST and Interest	183.19	2017-18	##State Bench of Goods and Service Tax Appellate Tribunal

NFAC stands for National Faceless Assessment Centre

The Appeals are yet to be filed before State Bench of Goods and Service Tax Appellate

Tribunal as and when they will constitute as per the reference Notification No. S.O.4073(E) dated 14th September,2023. As per pre deposit condition 20% of outstanding demand has been deposited and right to appeal before Appellate Tribunal has been reserved

(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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 Kumar Vats)
Partner
M.NO. 527922
Date : 27.04.2024
Place : New Delhi
UDIN : 24527922BKGEHA1600

STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2024

CIN : U24233UP2010PLC040828

(Rs. in Lakhs)

Particulars	Note No	As on 31st March, 2024	As on 31st March, 2023
Assets			
Non Current Assets			
Property, Plant and Equipment	4	62,027	65,006
Capital Work in Progress	4.1	3,196	196
Financial Assets		-	-
Investments	5	4,741	-
Other Financial Assets	6	1,974	2,518
Other Non Current Assets	7	718	728
		72,656	**68,448**
Current Assets			
Inventories	8	10,526	10,449
Financial Assets		-	-
Investments	9	1,047	-
Trade Receivable	10	28,809	42,560
Cash and Cash Equivalents	11	6,682	13,045
Bank Balance other than above	12	14,912	10,442
Other Financial Assets	13	22,346	18,075
Other Current Assets	14	9,055	5,250
		93,377	**99,821**
		166,033	**168,269**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	35,246	35,246
Other Equity	16	48,002	46,508
		83,248	**81,754**
Non Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Other Financial Liabilities	17	1,662	1,485
Provisions	18	342	291
Deferred Tax Liabilities (Net)	19	2,038	734
		4,042	**2,510**
Current Liabilities			
Financial Liabilities			
Borrowings			
Trade payables	20		
Total outstanding dues of other than MSME		69,940	70,312
Total outstanding dues of MSME		373	397
Other Financial Liabilities	21	6,708	9,881
Other Current Liabilities	22	857	2,802
Provisions	23	77	79
Current Tax Liabilities(Net)	24	788	534
		78,743	**84,005**
Total		**166,033**	**168,269**

Summary of Significant Accounting Policies & Notes to the Financial Statements “1” to “39”

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

Particulars	Note No	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
Revenue From Operations	25	294,885	319,841
Other Income	26	2,155	524
Total Income		**297,040**	**320,365**
Expenses			
Cost of Materials Consumed	27	211,276	244,139
Purchases of Stock-in-Trade	28	4,939	4,327
Changes in Inventories of Finished Goods & Work-in-Progress	29	310	(3,953)
Employee Benefits Expense	30	5,903	4,450
Finance Costs	31	2,480	6,779
Depreciation and Amortization Expense	32	7,320	7,225
Other Expenses	33	61,266	53,318
Total Expenses		**293,492**	**316,285**
Profit Before Exceptional Items and Tax		3,548	4,080
Exceptional Items [Net]	34	-	-
Profit Before Tax		**3,548**	**4,080**
Tax Expense:			
(1) Current Tax		787	1,034
(2) Tax Paid for A.Y. 2023-24		19	-
(3) Excess MAT credit booked in earlier year, now reversed		55	-
(4) Mat Credit		2,517	-
(5) Deferred Tax		(1,183)	1,363
Total Tax Expenses		**2,195**	**2,397**
Profit/(Loss) for the Period		**1,353**	**1,682**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
A. (i) Re-measurement gains/ (losses) on defined benefit plans (net)		23	14
(ii) Income Tax		(8)	(5)
B. (i) Re-measurement gains/ (losses) on Investments (net)		195	-
(ii) Income Tax		(68)	-
Total Other Comprehensive Income		**142**	**9**
		-	-
Total Comprehensive Income for the Period		**1,495**	**1,691**
Paid Up Equity Share Capital (Rs. In Cr.)		352	352
Face Value per share		10	10
Earnings per Equity Share			
(1) Basic (Rs.)		0.42	0.48
(2) Diluted (Rs.)		0.42	0.48

Summary of Significant Accounting Policies &
Notes to the Financial Statements **“1” to “39”**

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

		2023-24	2022-23
A	**Cash Flows From Operating Activities**		
	Profit For the Year	3,548	4,079
	Adjustments For:		
	- Exceptional Items (Net)	-	(48)
	- Depreciation	7,320	7,225
	- Interest and Finance Charges	2,480	6,779
	- Sundry Creditors written off	(536)	-
	- Profit on Sale of Fixed Assets	(79)	-
	- Interest Income on Fixed Deposits	(1,420)	(318)
	- Other Adjustments	161	-
	Operating Profit Before Working Capital Changes	**11,474**	**17,717**
	Adjustments for :	-	-
	- (Increase) / Decrease in Inventories	(78)	(4,612)
	- (Increase) / Decrease in Trade Receivables	13,752	35,712
	- (Increase) / Decrease in Other Financial Assets	(4,451)	(3,231)
	- (Increase) / Decrease in Other Current Assets	(3,806)	263
	- Increase / (Decrease) in Trade Payables	(202)	13,244
	- Increase / (Decrease) in Other Current Liabilities	(1,945)	1,950
	- Increase / (Decrease) in Other Financial Liabilities and Provision	(2,728)	(8,527)
	- Change in Other Assets	10	(102)
	Cash Generated From Operations	**12,026**	**52,414**
	- Income Tax Refund/ (Paid)	(534)	(91)
	Net Cash Flow Generated From Operating Activities	**11,492**	**52,323**
		-	-
B	**Cash Flow From Investing Activities**	-	-
	- Additions To PPE and Intangible Assets	(8,651)	(5,163)
	- Proceeds From Sale/ Disposal of Property, Plant and Equipment	1,388	188
	- Interest Received	1,341	316
	- Investment In Fixed Deposit	(3,665)	(10,095)
	- Investment In Equity Instruments	(5,376)	-
	- Investment In Gold Bonds	(412)	-
	Net Cash Flows (Used In) Investing Activities	**(15,375)**	**(14,754)**
		-	-
C	**Cash Flow From Financing Activities**	-	-
	- Proceeds/(Repayments) of Share Capital	-	-
	- Proceeds/(Repayments) of Long Term Borrowings	-	(13,976)
	- (Repayments of) / Proceeds From Short Term Borrowings (Net)	-	(5,510)
	- Interest And Finance Charges Paid	(2,480)	(10,498)
	Net Cash Flows (Used In)/ Generated From Financing Activities	**(2,480)**	**(29,984)**
		-	-
	Net Change In Cash and Cash Equivalents (A+B+C)	(6,363)	7,586
	Cash and Cash Equivalents- Opening Balance	13,045	5,459
	Cash and Cash Equivalents- Closing Balance	6,682	13,045
	Notes To Cash Flow Statement:		
	Cash And Cash Equivalents Include :		
	Cash on Hand	2	2
	Balances with Banks	6,680	13,043
	Cash and Cash Equivalents at the end of the Year [Refer Note No 11]	**6,682**	**13,045**

Summary of Significant Accounting Policies &
Notes to the Financial Statements **"1" to "39"**

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

Equity

Particulars

a. Equity share capital	(Rs. in Lakhs)
Balance as at 31st March, 2023	35,246
Equity Share issued during the period	-
Balance as at 31st March, 2024	35,246

b. Other Equity (Rs. in Lakhs)

Particular	Equity Component of Compulsory Convertible Preference Share	Security Premium	Retained Earnings	Remeasurements of the Defined Benefit Plans	Total
Balance as at 31st March, 2023	-	42,382	3,924	201	46,507
Profit For the Year	-	-	1,353	-	1,353
Remeasurement of Defined Benefit Liability (Net of Tax)	-	-	-	142	142
Changes During The Year	-	-	-	-	-
Balance as at 31st March, 2024	-	42,382	5,277	343	48,002

Summary of Significant Accounting Policies &
Notes to the Financial Statements **"1" to "39"**

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2024

Note No."1" Nature of Operations

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.

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 (Rs.) 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 assets acquired in a business combination is recognized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are 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 3 years.

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

c. Inventories

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

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

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

d. Revenue Recognition

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 supersede the current revenue recognition standard Ind AS 18 Revenue &Ind AS 11 Construction Contracts. Prior to 1st April, 2018, the company was recognizing revenue based on Ind AS 18).

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

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

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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, 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.

l. Provisions

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

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

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

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

m. Contingent Liabilities

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

n. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their 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 arepotentially favorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - i. A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - ii. A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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

    Financial Liability is any liabilities that is

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

    Financial liabilities include Loans, Trade Payable and eligible Current and Non-Current liabilities.

Classification

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

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

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

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

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

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

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

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

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

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

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

Recognition

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

Measurement of Financial Assets

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

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

Effective Interest Method

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

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

Trade Receivables

Trade receivables 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 inseveral 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.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE No. "4"

Property Plant & Equipment (Rs. 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
Gross Block												
As at 31st March, 2023	24,344	13,135	89,153	877	399	20	189	20	124	423	313	**128,999**
Additions	-	5,150	47	225	8	-	5	2	-	-	213	**5,650**
Disposals/Discard	-	1,184	358	-	-	0	-	-	-	-	64	**1,607**
As at 31st March, 2024	**24,344**	**17,102**	**88,842**	**1,102**	**407**	**19**	**194**	**22**	**124**	**423**	**462**	**133,042**
Accumulated Depreciation												
As at 31st March, 2023	**-**	**2,683**	**59,609**	**647**	**315**	**11**	**142**	**12**	**84**	**249**	**240**	**63,992**
Charge for the year	-	394	6,753	69	22	0	13	2	6	28	33	**7,320**
Disposals/Discard	-	4	231	-	-	-	-	-	-	-	62	**297**
As at 31st March, 2024	**-**	**3,072**	**66,131**	**716**	**337**	**11**	**155**	**14**	**89**	**278**	**211**	**71,015**
Net Block(As at 31st March, 2023)	**24,344**	**10,453**	**29,543**	**230**	**85**	**9**	**47**	**8**	**40**	**174**	**73**	**65,006**
Net Block(As at 31st March, 2024)	**24,344**	**14,030**	**22,711**	**386**	**70**	**8**	**39**	**8**	**35**	**145**	**251**	**62,027**

NOTE No. "4.1"

Property Plant & Equipment

	Amount in CWIP for a period of				
CWIP	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Project in progress	3,001	195	-	-	3,196

NOTE No. "5" Investments

a. Investments in Equity Instruments	**No. of Shares**	**As on 31st March, 2024**	**As on 31st March, 2023**
Investment in equity shares of Associate Company (at cost) Unquoted, Fully Paidup of Rs. 10/- each			
Resurgent India Food & Fuel Private Limited	2,411,500	241	-
Bharat Digital Education Private Limited (Formerly known as Quality Health & Education Private Limited)	5,000,000	500	-
Total		**741**	**-**
b. Investment in 9% Secured Non Convertible Debentures Unquoted Fully Paid up	**No. of Debentures**		
Himalayaputra Aviation Limited	1,000	1,000	-
JIL-IT	3,000	3,000	-
Total		**4,000**	**-**
Grand Total		**4,741**	**-**

NOTE No. "6"	**As on 31st March, 2024**	**As on 31st March, 2023**
Other Financial Assets		
Term Deposit Account with Maturity of more than 12 Months pledged as margin with banks against LC/BG	13	817
Security Deposit	1,615	1,614
Other Receivables	346	87
	1,974	**2,518**

NOTE No. "7"		
Other Non-Current Assets		
Prepaid Expenses	3	4
Tax Assets (Net)		
Advance Tax	715	724
	718	**728**

NOTE No. "8"	**As on 31st March, 2024**	**As on 31st March, 2023**
Inventories		
Raw Materials	747	809
Work in Progress	1,835	1,528
Finished Goods	317	479
Finished Goods In Transit	3,188	3,644
Stores & Spares	3,836	3,308
Stores & Spares in Transit	47	-
Catalyst	556	681
	10,526	**10,449**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE No. "9"

Investments (Rs. in Lakhs)

a. Investments in Equity Shares Quoted Fully Paidup	**No. of Shares**	**As on 31st March, 2024**	**As on 31st March, 2023**
Apollo Hospitals Enterprise Limited	400	25	-
Axis Bank Limited	1000	10	-
Bharat Dynamics Limited	1000	18	-
Bharat Electronics Limited	2000	4	-
BEML Limited	1000	32	-
Dalmia Bharat Limited	1000	19	-
Data Patterns (India) Limited	300	7	-
Devyani International Limited	9000	14	-
HDFC Bank Limited	800	12	-
ICICI Bank Limited	3500	38	-
Indian Railway Catering and Tourism Corporation Limited	1500	14	-
ITC Limited	5500	24	-
Larsen and Toubro Limited	3000	113	-
Paras Defence and Space Technologies Limited	700	4	-
Reliance Industries Limited	3680	109	-
JIO Financial Services Limited	6880	24	-
SBI Life Insurance Company Limited	1000	15	-
TATA Communications Limited	1000	20	-
Tata Consultancy Services Limited	300	12	-
Tejas Networks Limited	1500	10	-
Tata Teleservices (Maharashtra) Limited	10000	7	-
Ultratech Cement Limited	1000	97	-
Vedanta Limited	2000	5	-
Total		**635**	**-**
b. Other Investment	**No. of Shares**		
Gold Bonds Quoted			
Government of India SGB 19MY 28S II 2.50 FV Rs. 4590	2000	129	-
Nippon India Mutual Fund ETF Gold BeES	500000	283	-
Total		**412**	**-**
Grand Total		**1,047**	**-**

NOTE No. "10"

Trade Receivables	**As on 31st March, 2024**	**As on 31st March, 2023**
Others (Unsecured, Considered Good)	29,372	43,123
Less : Provision for Bad & Doubtful Debts	563	563
	28,809	42,560

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Ageing analysis of trade receivables As on 31.03.2024 (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	28,744					28,744
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	-	65	65
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	**28,744**	**-**	**-**	**-**	**65**	**28,809**

Ageing analysis of trade receivables As on 31.03.2023 (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	-	7,880	30,885	3,450	280	42,496
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	-	65	65
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	**-**	**7,880**	**30,885**	**3,450**	**345**	**42,561**

NOTE No. "11"	As on 31st March, 2024	As on 31st March, 2023
Cash and Cash Equivalents		
Balance with Banks	792	1,450
Term Deposit Account with Maturity of Less Than Three Months	612	11,044
Term Deposit Account with Maturity of Less Than Three Months pledged as margin with banks against LC/BGs	5,276	548
Cash in Hand	2	2
	6,682	**13,045**

NOTE No. "12"	As on 31st March, 2024	As on 31st March, 2023
Other Bank Balances		
Deposits with Maturity for more than 3 months but Less than 12 months	9,938	1,236
Deposits with Maturity for more than 3 months but Less than 12 months pledged as margin with banks against LC/BGs	4,974	9,206
	14,912	**10,442**

NOTE No. "13"	As on 31st March, 2024	As on 31st March, 2023
Other Financial Assets		
Accrued Interest Receivable	178	99
Other Receivables	76	17
Related Party	22,092	17,959
	22,346	**18,075**

NOTE No. "14"	As on 31st March, 2024	As on 31st March, 2023
Other Current Assets		
Prepaid Expenses	119	108
Advances to Vendors	1,335	483
GST Refund Receivable	403	78
GST/VAT Receivable	6,084	4,335
Investment in Gold Bars	274	-
TDS & Advance Taxes	840	246
	9,055	**5,250**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

NOTE No. "15"	As on 31st March, 2024	As on 31st March, 2023
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	-	-
35,00,00,000 (Previous period 35,00,00,000) Convertible Preference Shares of Rs. 10/- each	35,000	35,000
2,50,00,000 (Previous period 2,50,00,000) Cumulative Redeemable Preference Shares of Rs. 10/- each	2,500	2,500
	120,000	**120,000**
Issued, subscribed and paid up capital		
Equity Share Capital		
35,24,57,225 (Previous period 35,24,57,225) Shares of Rs. 10/- each fully paid up	35,246	35,246

Details of Shareholders Having More than 5% Shares	% of Shares	As on 31st March, 2024 (No of Shares)	% of Shares	As on 31st March, 2023 (No of Shares)
Equity Shares				
Jaypee Uttar Bharat Vikas Private Limited	56.76%	200,050,000	56.76%	200,050,000
Jaypee Fertilizers & Industries Limited	36.03%	126,982,549	36.03%	126,982,549
Mahabhadra Constructions Limited	7.09%	25,000,000	7.09%	25,000,000

Movement of detail of shareholders having more than 5% shares	As on 31st March, 2024			As on 31st March, 2023		
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	56.76%	-	200,050,000	56.76%	-
Acquired/Converted during the year	-	0.00%	-	-	0.00%	-
Closing Balance	200,050,000	56.76%	-	200,050,000	56.76%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	126,982,549	36.03%	-	117,982,549	33.48%	-
Acquired/Converted during the year	-	0.00%	-	9,000,000	2.55%	-
Closing Balance	126,982,549	36.03%	-	126,982,549	36.03%	-
Mahabhadra Constructions Limited						
Opening Balance	25,000,000	7.09%	-	25,000,000	7.09%	-
Acquired/Converted during the year	-	0.00%	-	-	0.00%	-
Closing Balance	25,000,000	7.09%	-	25,000,000	7.09%	-
Preference Shares						
Jaypee Fertilizers & Industries Limited						
Opening Balance	-	-	-	9,000,000	100%	-
Acquired/Converted during the year	-	-	-	-9,000,000	100%	-
Closing Balance	-		-	-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Reconciliation of No. of Shares Outstanding	As on 31st March, 2024 (No of Shares)	As on 31st March, 2023 (No of Shares)
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	35,24,57,225	34,34,57,225
Equity Shares Issued During the Year	-	90,00,000
Outstanding at the End of the Year	35,24,57,225	35,24,57,225
Preference Share		
Preference Shares Outstanding at the Beginning of the Year	-	90,00,000
Preference Shares converted to Equity Shares During the Year	-	90,00,000
Outstanding at the End of the Year	-	-

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-56.76%) including 43,000 Equity Shares through its nominees, Jaypee Fertilizers & Industries Limited (36.03%), Mahabhadra Constructions Limited (7.09%) and Others (0.12%).

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 11% Compulsorily Convertible Preference shares (CCPS) of Kanpur Fertilizers & Chemicals Limited held by Jaypee Fertilizers & Industries Limited (JFIL) were allotted on 31st July 2017 and have been converted into Equity Shares as per terms of allotment, on 27th May, 2022.

(Rs. in Lakhs)

NOTE No. "16" Other Equity	As on 31st March, 2024	As on 31st March, 2023
(i) Equity Component of Financial Instrument		
Opening Balance	-	900
Less: Conversion During the Year	-	900
Closing Balance	**-**	**-**
(ii) Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	3,925	2,243
Profit / (Loss) for the year	1,353	1,682
Closing Balance	**5,277**	**3,925**
(b) Security Premium Reserve		
Opening Balance	42,382	42,382
Addition during the Year	-	-
Closing Balance	**42,382**	**42,382**
Total Reserve & Surplus	**47,659**	**46,307**
iii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	201	192
Addition/Deduction during the Year	142	9
Closing Balance	**343**	**201**
Total Other Equity	**48,002**	**46,508**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

NOTE No. "17"	As on 31st March, 2024	As on 31st March, 2023
Other Financial Liabilities		
Security and Other Deposits	1,662	1,485
	1,662	**1,485**

NOTE No. "18"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	194	168
Leave Encashment	148	123
	342	**291**

(Rs. in Lakhs)

NOTE No. "19"	As on 31st March, 2024	As on 31st March, 2023
Deferred Tax Assets		
Provision for Leave encashment, Gratuity & Bonus	147	129
Brought Forward Losses & Unabsorbed Depreciation	-	-
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	2,185	3,274
Net Deferred Tax Assets/(Liabilty)	2,038	3,145
MAT Credit Entitlement	-	2,411
Total	**2,038**	**734**

Movement in deferred tax balances (Rs. in Lakhs)

31st March 2024				
Particulars	**Net Balance April 1, 2023**	**Recognised in P & L**	**Recognised in OCI**	**Net Balance Mar 31, 2024**
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(3,274)	1,089	-	(2,185)
Provision for Leave encashment ,Gratuity & Bonus	129	25	(8)	147
Brought Forward Losses & Unabsorbed Depreciation	(0)	0	-	-
Net Deferred Tax Assets/(Liabilities)	**(3,145)**	**1,115**	**(8)**	**(2,038)**
31st March 2023				
Particulars	**Net Balance April 1, 2022**	**Recognised in P & L**	**Recognised in OCI**	**Net Balance Mar 31, 2023**
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(4,206)	931	-	(3,274)
Provision for Leave encashment & Gratuity	129	5	(5)	129
Brought Forward Losses & Unabsorbed Depreciation	2,299	(2,299)	-	-
Net Deferred Tax Assets/(Liabilities)	**(1,777)**	**(1,363)**	**(5)**	**(3,145)**

NOTE No. "20"

Trade Payables	As on 31st March, 2024	As on 31st March, 2023
Others	69,940	70,312
Micro Small Medium Enterprises	373	397
	70,313	**70,709**

Details relating to Micro, Small and Medium Enterprises is as under -		
a) Principal amount	373	397
b) Interest thereon	-	-
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 adding the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at 31st March, 2023	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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Ageing analysis of trade payable As on 31.03.2024 (Rs. in Lakhs)

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	373	-	-	-	373
b) Others	69,892	24	2	22	69,940
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**70,265**	**24**	**2**	**22**	**70,313**

* MSME Dues are less than 45 days

Ageing analysis of trade payable As on 31.03.2023

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	397	-	-	-	397
b) Others	70,284	6	2	20	70,312
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**70,681**	**6**	**2**	**20**	**70,709**

* MSME Dues are less than 45 days

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. “21”		
Other Financial Liabilities		
Payable on Account of Employees	529	416
Security and Other Deposits	142	142
Amount Payable to Related Parties	69	66
Other Payable	5,968	9,257
	6,708	**9,881**
NOTE No. “22”		
Other Current Liabilities		
Statutory Taxes and Dues	437	540
Advance Received from Customers	420	2,262
	857	**2,802**
NOTE No. “23”		
Provisions		
Gratuity	32	38
Leave Encashment	45	41
	77	**79**
NOTE No. “24”		
Current Tax Liability		
Provision for Income Tax	788	534
	788	**534**
NOTE No. "25"		
Revenue from Operation		
Sale of Products		
Urea Sale	35,944	32,888
Govt Subsidy- Urea	236,690	274,833
GAIL Subsidy- Gas pool	14,979	-
Sale-Flyash	132	154
	287,745	**307,875**
Other Operating Revenue		
Sale -Traded Product	5,866	5,014
Ammonia Sale	1,274	6,952
	7,140	**11,966**
	294,885	**319,841**

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "26"		
Other Income		
Interest Income (including fair value of financial liability at amortised cost)	1,420	318
Insurance Claim Received	47	-
Foreign Exchange Gain (Net)	-	-
Misc Receipts	688	206
		-
	2,155	**524**
NOTE No. "27"		
Cost of material Consumed		
Raw Materials Consumed	201,877	231,056
Coal Consumed	6,398	10,175
Bags Consumed	3,001	2,908
	211,276	**244,139**
NOTE No. "28"		
Purchases of Stock-in-Trade		
Wheat seed	2,497	2,206
Calcium Nitrate	191	-
Zyme	1,078	1,024
Micro Nutrient	444	556
Sulphur	344	211
Zinc Sulphate	28	24
City Compost	27	19
Ferrous Sulphate	275	195
Others	55	92
	4,939	**4,327**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "29"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	1,528	1,101
Finished Goods	4,122	596
	5,650	**1,697**
Closing Stock		
Work-in-Progress	1,836	1,528
Finished Goods	3,504	4,122
	5,340	**5,650**
	310	**(3,953)**
NOTE No. "30"		
Employee Benefit Expense		
Salaries and Wages	5,586	4,149
Contribution to Provident and Other Funds	197	194
Gratuity	97	77
Staff Welfare	23	30
	5,903	**4,450**
NOTE No. "31"		
Finance Cost		
Interest to Banks on Working Capital	-	296
Interest to Banks on Term Loan	-	1,445
Interest to Others	2,480	4,935
Financial Charges	-	103
	2,480	**6,779**
NOTE No. "32"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	7,320	7,225
	7,320	**7,225**

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "33"		
Other expenses		
Repairs & Maintenance - Others	248	201
Electricity Charges	39,560	37,426
Store and Spares Consumed	2,390	2,127
Repairs & Maintenance - Plant	1,818	2,010
Directors' Meeting Fee	36	21
Commission to Non-executive Directors	263	-
Insurance	231	250
Rates & Taxes	309	107
Loading & Unloading Charges	1,227	1,218
Travelling & Conveyance Expenses	308	245
Corporate Social Responsibility	43	93
Vehicle Running & Hiring Charges	249	244
Freight & Octroi Expenses	6,310	5,625
Advertising and Sales Promotion	699	1,440
Legal & Professional	3,488	1,161
Bank Charges & LC/BG Commission	64	451
Safety & Security	335	321
Donation & Charity	3,000	-
Horticulture and Gardening	49	26
Auditors Remuneration*	28	25
(*) please refer details below		
Fair value of Financial Liability at amortised cost	118	110
Miscellaneous Expenses	493	217
	61,266	**53,318**
NOTE No. "34"		
Exceptional Items (Net)	-	-

(*) Auditors Remuneration

Particulars	**For year ended 31.03.2024**	**For year ended 31.03.2023**
Audit Fees (Including Limited Review Fees)	8	8
Tax Audit Fees	3	3
Cost Audit Fees	3	3
Internal Audit Fees	8	8
Secretarial	1	1
Management Audit Fees	3	-
Audit Expenses	3	2
Total	**28**	**25**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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, 2024	March 31, 2023
Current tax expense		
Current year	787	1,034
MAT Credit	2,517	-
Adjustment for prior periods	74	-
	3,378	**1,034**
Deferred tax expense		
Origination and reversal of temporary differences	(1,183)	1,363
Reduction in tax rate	0	-
	(1,183)	1,363
Total income tax expense	**2,195**	**2,397**

ii) Income tax recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	March 31, 2024			March 31, 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	23	(8)	15	14	(5)	9
- Net gains/(losses) on Investments	195	(68)	127	-	-	-
	218	**(76)**	**142**	**14**	**(5)**	**9**

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

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Accounting Profit/(Loss) before tax expense	**3,548**	**4,079**
Enacted tax rate	34.944%	34.944%
Taxed at India Statutory Tax Rates	**1,240**	**1,425**
Tax Effect of:-		
Non-Deductible Expenses	1,238	102
Non-Taxable Incomes	(55)	(27)
Expenses disallowed earlier now allowed as per Income Tax Act,1961	**(61)**	**(40)**
Impact of Depreciation as per Income Tax Act,1961	**1,117**	**948**
Carry Forward of Income Tax Losses for current year	(3,478)	(2,408)
Current tax of Prior Period	-	-
Deffered Tax Impact	(1,107)	1,367
Tax Expenses	**(1,107)**	**1,367**

iv) The tax rates under Indian Income Tax Act, for Financial Year 2023-24 is 34.944% (Previous year 2022-23 is 34.944%).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE No. "36" Disclosure as per Ind AS 33 on 'Earnings per Share' (Rs. in Lakhs)

Basic and diluted earnings per share (Rupees)	March 31, 2024	March 31, 2023
Basic earnings per share (Refer footnote a & b)	0.42	0.48
Diluted earnings per share	0.42	0.48
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	1,495	1,691
Profit attributable to equity shareholders	**1,495**	**1,691**
(b) Weighted average number of equity shares (Nos Rupees)		
Opening balance of issued equity shares	3,525	3,434
Effect of shares issued/ Converted during the year, if any	-	90
Weighted average number of equity shares for Basic EPS (b)	**3,525**	**3,525**
(c) Weighted average number of Convertible Preference shares		
Opening balance of issued Preference shares	-	90
Effect of shares Issued during the year, if any	-	-
Balance shares convertible at the end of the Year	**-**	**90**
Effect of shares Converted during the year, if any	**-**	**(90)**
Weighted average number of Convertible Preference shares (c)	**-**	**-**
Weighted average number of equity shares for Diluted EPS (b+c)	**3,525**	**3,525**

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. 1.97 crore (31st March 2023: Rs. 1.95 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 31.03.2024	As at 31.03.2023
Net defined benefit Obligation :		
Gratuity (funded)	54	72
Total	**54**	**72**
Total employee benefit obligation		
Non-current	195	168
Current	32	38
Total	**226**	**205**

(Rs. in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Movement in net defined benefit obligation for the year		
Present Value of Obligation as at the beginning of Period	205	215
Interest Cost	15	15
Service Cost	37	34
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-54	-72
Total Actuarial (Gains)/Loss on obligation	23	14
Total Service Cost to be recognised in Statement of Profit & Loss A/C	**226**	**205**
Included in OCI		
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	0	0
Financial Assumptions	2	-3
Experience Adjustment	20	16
Total Amount Recognised in OCI	**23**	**14**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

(Rs. in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Discount rate	7.22%	7.36%
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:

(Rs. in Lakhs)

Particulars	31.03.2024		31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(8)	9	(7)	7
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	9	(8)	7	(7)

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

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

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

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

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

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

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

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

F. Expected maturity analysis of the defined benefit obligations in future years (Rs. in Lakhs)

Particulars	0 to 1 Year	1 to 2 Year	2 to 3 Year	3 to 4 Year	4 to 5 Year	5 to 6 Year	6 Year onward
31 March 2024							
Gratuity	32	30	11	12	13	14	114
Total	**32**	**30**	**11**	**12**	**13**	**14**	**114**

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 31.03.2024	As at 31.03.2023
Gratuity	13	13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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. 1.93 crore (31st March 2023: Rs. 1.65 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 31.03.2024	For the year ended 31.03.2023
A. Amount required to be spent during the year	-	-
B. Amount Actually spent during the year	42.67	92.59
Amount upspent (if any)	**-**	**-**

Amount spent during the year ended 31 March 2024: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	42.67	0	42.67
Grand Total			**42.67**

Amount spent during the year ended 31 March 2023: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	92.59	0	92.59
Grand Total			**92.59**

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2024
1) Sardar Patel Uchchatar Madhyamik Vidhyalaya Rewa	31.00
2) Jaypee Sewa Sansthan (for promoting education)	11.00
3) Water Coolers provided to Atal Residential School (Govt. School), Naurwa, Bilhaur UP	0.67
Total	**42.67**

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2023
1) Smart Board for School	30.79
2) DY. Commissioner Industry, DIC Kanpur for ODOP Exhibition	5.00
3) DY. Commissioner Industry, Kanpur for Woolen Blankets	0.93
4) Provided Lab equipments to Schools	20.18
5) Jaypee Sewa Sansthan	21.00
6) Anglo Vedic Educational Association	14.06
7) Labour Office-2 System Set	0.63
Total	**92.59**

NOTE No. "39"

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

(Rs. in Lakhs)

Particulars	2023-24	2022-23
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt	11	328
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt.(#)	356	356
Amount deposited under protest.	57	12
c) Legal claims against Civil/Labour Court Cases	1,175	3,088
d) Stamp Duty (U/s 47 of Stamp Act)	4,223	4,223
e) Outstanding Balances of Bank Guarantees	652	643
Margin Money deposited against the above	653	971
f) Outstanding Letters of Credit (including Foreign LCs)	9,000	9,000
Margin Money deposited against the above	9,566	9,008

(#) The Appeals are to be filed before State Bench of Goods and Service Tax Appellate Tribunal as and when they will constitute. Reference Notification No. S.O.4073(E) dated 14th September,2023. As per pre deposit condition 20% of outstanding demand has been deposited and right to appeal before Appellate Tribunal has been reserved.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2. Related Party Disclosure

Name of Related Party and Relationship

a) Holding Company

Jaypee Uttar Bharat Vikas Private Limited, (JUBVPL), Jaypee Fertilizers & Industries Limited (JFIL) & Jaiprakash Associates Limited (JAL)

b) Fellow Subsidiary Companies

1. Jaypee Infratech Limited (subsidiary of JAL) *[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.]*
2. Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
3. Himalyan Expressway Limited (wholly owned subsidiary of JAL)
4. Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
5. Jaypee Ganga Infrastructure Corporation Limited (wholly owned subsidiary of JAL)
6. Jaypee Agra Vikas Limited (wholly owned subsidiary of JAL)
7. Jaypee Cement Corporation Limited (JCCL) (wholly owned subsidiary of JAL)
8. Himalyaputra Aviation Limited (wholly owned subsidiary of JAL)
9. Jaypee Assam Cement Limited (wholly owned subsidiary of JAL)
10. Jaypee Infrastructure Development Limited (wholly owned subsidiary of JAL).
11. Jaypee Healthcare Limited. (wholly owned subsidiary of JIL) Entire 42,75,00,000 Equity Shares (including beneficial interest for 600 shares) are held by Jaypee Infratech Limited (JIL), the holding company, till 10.03.2023. Out of the total numbers of shares, JIL had pledged 63.65% shares in favour of lenders of Jaypee Healthcare Limited through their Security Trustee- Vistra ITCL (India) Limited (VISTRA). On 10.03.2023 the aforesaid pledged were invoked by Lenders through their Security Trustee (VISTRA) due to continuing default in debt servicing and shares transferred from demat account of JIL to Vistra. Accordingly, the beneficial ownership and right to possession of aforesaid shares vest with respective lenders till the repayment of debt by the Company. Subsequently, JIL had made a disclosure dated 15.03.2023 to the Stock Exchanges informing therein that accordingly, JIL's shareholding in Jaypee Healthcare Limited has reduced to 36.35% and Jaypee Healthcare has now become an Associate Company as against wholly owned subsidiary of JIL.
12. Jaypee Cement Hockey (India) Limited (wholly owned subsidiary of JAL)
13. Jaiprakash Agri Initiatives Company Limited (wholly owned subsidiary of JCCL)
14. Yamuna Expressway Tolling Limited (wholly owned subsidiary of JAL)
15. East India Energy (P) Ltd. (wholly owned subsidiary of JAL w.e.f. 29.12.2022)

c) Associate Companies:

1. Resurgent India Food & Fuel Service Private Limited (became Associate Company w.e.f. 25.08.2023)
2. Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) (became Associate Company w.e.f. 14.09.2023)
3. Mahabhadra Construction Limited (MCL) (wholly owned subsidiary of Jaypee Infra Ventures Private Limited (JIVPL)
4. JIL Information Technology Limited (JILIT) (Subsidiary of JIVPL)
5. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
6. Jaypee Infra Ventures Private Limited (Holding Company of JILIT and Associate Company of JAL)

d) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri Alok Gaur – Joint Managing Director & CEO
3. Ms. Sunita Joshi – Non Executive Director
4. Shri R.K. Pandey – Non Executive Director (Resigned w.e.f 1st August, 2022)
5. Shri S.D. Nailwal – Non Executive Director
6. Shri Ajit Kumar – Non Executive Director
7. Shri Anil Mohan – Non Executive Director.
8. Shri Satish Charan Kumar Patne – Independent Director (Ceased from Directorship w.e.f. 2nd May, 2023)
9. Shri K.V.Rajendran – Independent Director
10. Shri Devinder Singh Ahuja – Non Executive Director
11. Shri Narinder Kumar Grover – Independent Director (Appointed w.e.f. 24th September, 2022)
12. Shri Vinod Sharma – Director (Appointed w.e.f. 24th September, 2022)
13. Ms. Ritu Gupta- Company Secretary (Appointed w.e.f 27th May, 2022)
14. Shri Sudhir Rana – Chief Financial Officer (Resigned w.e.f 31st March, 2023)
15. Shri R.C. Sharma– Chief Financial Officer (Appointed w.e.f 19th April, 2023)

e) Relative of Director (with whom the Company was having transaction during FY 2022-23)

1. Shri Sunny Gaur, Relative of Shri Manoj Gaur

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

i) Disclosure of Related Party Transactions and their Closing Balances is as Under : (Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transcation	Transcation During the year		Payment	Outstanding Balance as at	
			FY 2023-24	FY 2022-23	FY 2023-24	31st March, 2024	31st March, 2023
Jaypee Fertilizers & Industries Limited	Holding Company	Reimursement Towards Expenses	-	-	2	1,515	1,515
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimursement Towards Expenses	-	-	0	1	1
Jaiprakash Associates Limited	Holding Company	Purchase of Power	-	-	4,443	18,436	16,143
		Cement Purchased	-	2			
		Assets Puchased	812	-			
		Hotel Services	4	-			
		Rent	1	-			
		Flat & Land Purchased	-	696			
		Services	2,414	812			
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Helicopter & Aeroplane hire Charges	121	120	1,100	-12	-12
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	313	274	336	-30	-27
		Sale of Service					
JIL Information Technology Ltd.	Associate Company	Manpower Supply	151	79	5,306	1,640	-27
		Assets Purchased	314	65			
		Flat Purchased	2,950	1,191			
		Sale of Service	59				
Resurgent India Food & Fuel Service (P) Ltd.	Associate Company	Sale of Service	400	-	598	-	-
Jaypee Infra Venture Pvt Ltd	Associate Company	Sale of Service	225		226	-27	
Jaypee Cement Corporation Ltd.	Associate Company	Purchase of AC Sheets		5		300	300
Shri Sunny Gaur	Relative of Manoj Gaur (Non-Executive Chairman)	Flat Purchased		2,800		-	-
Gaur & Nagi Limited	Associate Company	Publishing Charges & Services provided	19	1	220	199	-0
Total						**22,023**	**17,894**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Receivable / Debit Balance of Related party as at 31st March', 2024	(Rs. in Lakhs)
Jaypee Fertilizers & Industries Limited	1,515
JIL Information Technology Ltd.	1,640
Jaypee Uttar Bharat Vikas Private Limited	1
Gaur & Nagi Limited	199
Jaiprakash Associates Limited	18,436
Jaypee Cement Corporation Ltd.	300
Total	22,092

Payable / Credit Balance of Related party as at 31st March, 2024	(Rs. in Lakhs)
Himalayaputra Aviation Limited	-12
Resurgent India Food & Fuel Service (P) Ltd.	-
Jaypee Vasant Continental	-27
Jaypee Infra Venture Pvt. Ltd.	-
Gaur & Nagi Limited	-
Mahabhadra Constructions Ltd.	-30
Total	-69

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transcation	Transaction During the year		Outstanding Balance as at	
			FY 2023-24	FY 2022-23	31st March, 2024	31st March, 2023
Manoj Gaur	Non Executive Chairman	Commission	201	-	-	-
Alok Gaur	Jt. MD & CEO	Short term employee benefit			-3	-6
		Salary	163	109		
		Arrear of (P) year Salary	53			
S D Nailwal	Non Executive Director	Commission	20	-	-	0
Sunita Joshi	Non Executive Director	Commission	10	-	-	-
S C K Patne	Independent Director	Commission	10	-	-	-
Anil Mohan	Non Executive Director	Commission	5	-	-0	-0
K V Rajendran	Independent Director	Commission	5	-	-	-
Ajit Kumar	Non Executive Director	Advisory Fees	27	27	-2	-2
		Commission	3			
Devinder Singh Ahuja	Non Executive Director	Advisory Fees	70	74	-6	-6
		Commission	3			
N K Grover	Independent Director	Commission	3	-	-	-
Vinod Sharma	Director	Commission	3	-	-	-
Sudhir Rana	CFO	Short term employee benefit				
		Salary		40	-	-2
		Car Hire Charges		4		-0
Ramesh Chand Sharma	CFO	Short term employee benefit				
		Salary	30		-2	-
		Car Hire Charges	4		-0	-
Ritu Gupta	Company Secretary	Short term employee benefit				
		Salary	21	17	-2	-1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

3. Financial Instrument

(i) Capital Management

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Debt*	-	-
Cash and Bank Balance (including Cash and Bank Balances in a disposal group held for sale)	21,606	24,304
Net Debt	**-**	**-**
Equity	**83,248**	**81,754**
Total Debt + Equity	**-**	**-**
Net Debt to Equity Ratio	N.A	N.A

Debt is defined as Non-current and Current borrowings.

(ii) Categories of Financial Instruments

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	21,606	24,304
b) Other Financial Assets	24,320	20,593
c) Trade Receivable	28,809	42,561
Total	**74,734**	**87,458**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	-	-
b) Current Borrowing	-	-
c) Trade Payable	70,313	70,709
d) Other Financial Liability*	8,370	11,365
Total	**78,683**	**82,075**

* 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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
– 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:

(Rs. in Lakhs)

S.No	Particulars	As at March 31st, 2024	As at March 31st, 2023
1	FICC, GoI	26,024	42,429

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 21,606 (31 March 2023: Rs. 24,304). 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. 563.00 Lacs 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 may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2024 and March 31, 2023 is the carrying amounts of trade payables and other liabilities. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The trade payable and other payables are having short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

(Rs. in Lakhs)

Particulars	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at March 31, 2024						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,313	-	-	70,313	70,313
Other Financial Liabilities	13	8,370	-	-	8,370	8,370
Total		**78,683**	**-**	**-**	**78,683**	**78,683**
As at March 31, 2023						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,710	-	-	70,710	70,710
Other Financial Liabilities	13	9,881	-	1,484	11,365	11,365
Total		**80,590**	**0**	**1,484**	**82,075**	**82,075**

– 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 optimizing the return.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

(v) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest risk on borrowings at the Balance Sheet date as there is no outstanding of borrowings as on March 31, 2024 and March 31, 2023. Rate of interest of term deposits, security deposits etc. are fixed and are carried at amortised cost and therefore same are not subject to interest rate risk. The following table analysis the breakdown of the financial assets and liabilities into interest-free and interest-bearing financial instruments:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Non-interest bearing		
Cash and cash equivalents	794	1,452
Others Financial Assets	22,355	18,075
Trade receivables	28,809	42,561
Interest bearing		
Other Financial Assets		
- Term Deposits with Banks	5,888	11,592
- Security Deposits	1,616	1,615
Bank Balances other than cash and cash equivalents		
- Term Deposits with Banks	14,924	11,259
Financial liabilities		
Non-interest bearing		
Trade Payables	70,313	70,709
Other Financial Liabilities (including lease liabilities)	6,717	9,881
Interest bearing		
Other Financial Liabilities		
- Security Deposits	1,662	1,484

(vi) Fixed Deposits Lien With

Out of total FDRs' of Rs. 20,812 Lakhs FDRs' worth Rs. 10,264 Lakhs are lien marked with various authorities/government departments as under:

(Rs. in Lakhs)

Sl. No.	Name of Company/Department	
1	GAIL	9,566
2	Sales Tax/Vat Authorities	15
3	KESCO/UPPCL	508
4	Railways	71
5	Labour Court	94
6	UP Pollution Control Board	10
	Total	10,264

4. Certain balances of Trade Receivables, Advances from Customers, Advances to suppliers, Trade Payables, Dealers etc. are subject to confirmations. In the opinion of the Management, no major adjustment will be required to be made in the books of account on receipt of these confirmations and subsequent to their reconciliations.

5. a) Ratios (Rs. in Lakhs)

Particulars	2023-24	2022-23
Current Ratio		
Current Assets	93,385	99,821
Current Liabilities	78,752	84,006
Ratio	**1.19**	**1.19**
%Change	-	-
Debt Equity Ratio		
Long Term Borrowings + Short Term Borrowings	0.00	0.00
Shareholders Funds	83,248	81,754
Ratio	-	-
%Change	-	-

Remarks : Change is due to Company repaid all its Borrowings during the previous financial year.

Particulars	2023-24	2022-23
Debt Service Coverage Ratio		
EBIDTA	13,348	18,083
Principal repayments of Long term borrowings & Interest	-	21,356
Ratio	-	**0.85**
%Change	**100%**	

Remarks : Company repaid all its Long Term borrowings along with interest in FY 2022-23 itself.

Particulars	2023-24	2022-23
Return on Equity/ Investment Ratio		
Net Profit after Taxes	1,494	1,691
Shareholder's Equity	83,248	81,754
Ratio	**0.02**	**0.02**
%Change	-	
Inventory Turnover Ratio		
Sales	2,94,885	3,19,841
Average Inventory	10,487	8,143
Ratio	**28.12**	**39.28**
%Change	**28.42%**	

Remark – Average Inventory has increased

Particulars	2023-24	2022-23
Trade Receivables Turnover Ratio		
Net Credit Sales	2,94,885	3,19,841
Avg Accounts Receivable	35,685	60,423
Ratio	**8.26**	**5.29**
%Change	**-56.14%**	

Remark – (Previous year receivables realised during the year)

Particulars	2023-24	2022-23
Trade Payables Turnover Ratio		
Net Credit Purchases	70,313	70,709
Avg Trade Payables	70,511	64,088
Ratio	**1.00**	**1.10**
%Change	**0.09%**	
Net Capital Turnover Ratio		
Net Sales	2,94,885	3,19,841
Working Capital (Current Assets- Current Liabilities)	14,634	15,569
Ratio	**20.15**	**20.54**
%Change	**0.02%**	
Net Profit Ratio		
Net Profit	1,494	1,691
Net Sales	2,94,885	3,19,841
Ratio	**0.01**	**0.01**
%Change	-	
Return on Capital Employed		
Earning before Interest and Taxes	13,348	18,083
Capital Employed	79,857	80,770
Ratio	**16.71%**	**22.39%**
%Change	**25.37%**	

Remarks : Significant Change in Ratio due to decrease in EBIDTA.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 prepaid its entire Term Loans and Working Capital fund based facilities. No Dues Certificate has been issued by the lenders and Satisfaction of Charge have also been filed with the Registrar of Companies.

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 spend amount as CSR expenses during the FY 23- 24.

ii) However, the company has incurred an amount of Rs.42.67 Lakhs as CSR expenditure during FY 23-24

Particulars	For the year ended 31.03.2024 (Rs. in Lakhs)
1) Sardar Patel Uchchatar Madhyamik Vidhyalaya Rewa	31
2) Jaypee Sewa Sansthan (for promoting education)	11
3) Water Coolers provided to Atal Residential School (Govt. School), Naurwa, Bilhaur, UP.	1
Total	**43**

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 in Lakhs.

Summary of Significant Accounting Policies &
Notes to the Financial Statements **"1" to "39"**

As per our report of even date attached to the Balance Sheet
For Sharma Vats & Associates
Chartered Accountants
Registration No. 031486N

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

INDEPENDENT AUDITOR'S REPORT

To the Members of
Kanpur Fertilizers & Chemicals Limited

Opinion

We have audited the accompanying consolidated financial statements of **Kanpur Fertilizers & Chemicals Limited** ("the Company"), and its associates (the Company and its associates together referred to as the "Group")which comprise the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss, consolidated Statement of changes in equity and consolidated Statement of cash flows for the year ended 31st March 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs as at March 31, 2024 and its consolidated profit, total consolidated comprehensive income,consolidated changes in equity and its consolidated 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 Consolidated financial statements section of our report. We are independent of the Group 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 consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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	**Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy** i. During the FY 2023-24, Group recognized the total subsidy of Rs. 2366.90 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. ii. The subsidy due from Government of India at the end of FY 2023-24 stood at Rs. 260.24crores. During the FY 2023-24, the Group received Rs. 2639.68 crores as subsidy on account of urea, Freight and 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	**Our procedures included the following:** i. 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. ii. Reviewed the Group's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 2S tatement of Significant Accounting policies" in conformity with the provision of Ind AS on Government Grants. iii. Assessment of the basis of judgements that management has made in relation to the notifications/ policies including past precedence and subsequent evidence, as applicable. iv. 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. v. 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.

S. No.	Key Audit Matters	Auditor's Response
		vi. 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.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Group's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibility of Management for the Consolidated financial statements

The Group'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 consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Group 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 Group 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

Report on Other Legal and Regulatory Requirements

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

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

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

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, consolidated Statement of changes in equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid consolidated 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.

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these Ind AS consolidated 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 Group’s internal financial controls over financial reporting.

   g) In our opinion and to the best of our information and according to the explanations given to us, remuneration has been paid by the Group to its directors during the year in accordance with the provisions of section 197 read with Schedule V to the Act.

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

      i. The Group has disclosed the impact of pending litigations on its financial position in its Ind AS consolidated financial statements. - Refer Note 39 to the

         Ind AS consolidated financial statements;

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

      iv. (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 Group 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 Group (“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 Group from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group 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 Group has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Group has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

(CA Manoj Kumar Vats)
Partner
M.NO. 527922
Date- 27.04.2024
Place- NEW DELHI
UDIN- 24527922BKGEHH4077

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 Group") as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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 Group'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 consolidated 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group'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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group'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 Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated 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 Group 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, 2024, based on the internal control over financial reporting criteria established by the Group 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 Kumar Vats)
Partner
M.NO. 527922
Date- 27.04.2024
Place- NEW DELHI
UDIN- 24527922BKGEHH4077

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH,2024

CIN : U24233UP2010PLC040828

(Rs. in Lakhs)

Particulars	Note No	As on 31st March, 2024	As on 31st March, 2023
Assets			
Non Current Assets			
Property, Plant and Equipment	4	62,027	65,006
Capital Work in Progress	4.1	3,196	196
Financial Assets		-	-
Investments	5	4,689	-
Other Financial Assets	6	1,974	2,518
Other Non Current Assets	7	718	728
		72,604	**68,448**
Current Assets			
Inventories	8	10,526	10,449
Financial Assets		-	-
Investments	9	1,047	-
Trade Receivable	10	28,809	42,560
Cash and Cash Equivalents	11	6,682	13,045
Bank Balance other than above	12	14,912	10,442
Other Financial Assets	13	22,346	18,075
Other Current Assets	14	9,055	5,250
		93,377	**99,821**
		165,981	**168,269**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	35,246	35,246
Other Equity	16	47,968	46,508
		83,214	**81,754**
Non Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Other Financial Liabilities	17	1,662	1,485
Provisions	18	342	291
Deferred Tax Liabilities (Net)	19	2,020	734
		4,024	**2,510**
Current Liabilities			
Financial Liabilities			
Borrowings			
Trade payables	20		
Total outstanding dues of other than MSME		69,940	70,312
Total outstanding dues of MSME		373	397
Other Financial Liabilities	21	6,708	9,881
Other Current Liabilities	22	857	2,802
Provisions	23	77	79
Current Tax Liabilities(Net)	24	788	534
		78,743	**84,005**
Total		**165,981**	**168,269**

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "39"

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

Particulars	Note No	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
Revenue From Operations	25	294,885	319,841
Other Income	26	2,155	524
Total Income		**297,040**	**320,365**
Expenses			
Cost of Materials Consumed	27	211,276	244,139
Purchases of Stock-in-Trade	28	4,939	4,327
Changes in Inventories of Finished Goods & Work-in-Progress	29	310	(3,953)
Employee Benefits Expense	30	5,903	4,450
Finance costs	31	2,480	6,779
Depreciation and amortization Expense	32	7,320	7,225
Other expenses	33	61,266	53,318
Total Expenses		**293,492**	**316,285**
Profit Before Exceptional Items and Tax		3,548	4,080
Exceptional Items [Net]	34	-	-
Profit before share of Profit/ Loss of Associate Co. and Tax		**3,548**	**4,080**
Share of Profit/(Loss) of Associate Co.		(53)	-
Profit Before Tax		**3,495**	**4,080**
Tax Expense:			
(1) Current Tax		787	1,034
(2) Tax Paid for A.Y. 2023-24		19	-
(3) Excess MAT credit booked in earlier year, now reversed		55	-
(4) Mat Credit		2,517	-
(5) Deferred Tax		(1,201)	1,363
Total Tax Expenses		**2,177**	**2,397**
Profit/(Loss) for the Period		**1,318**	**1,682**
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
A. (i) Re-measurement gains/ (losses) on defined benefit plans (net)		23	14
(ii) Income Tax		(8)	(5)
B. (i) Re-measurement gains/ (losses) on Investments (net)		195	-
(ii) Income Tax		(68)	-
Total Other Comprehensive Income		**142**	**9**
		-	-
Total Comprehensive Income for the Period		**1,460**	**1,691**
Paid Up Equity Share Capital (Rs. In Cr.)		352	352
Face Value per share		10	10
Earnings per Equity Share			
(1) Basic (Rs.)		0.41	0.48
(2) Diluted (Rs.)		0.41	0.48

Summary of Significant Accounting Policies &
Notes to the Financial Statements “1” to “39”

For Sharma Vats & Associates
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For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
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(Ramesh Chand Sharma)
Jt. President & CFO

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

		2023-24	2022-23
A	**Cash Flows From Operating Activities**		
	Profit For the Year	3,548	4,079
	Adjustments For:		
	- Exceptional Items (Net)	-	(48)
	- Depreciation	7,320	7,225
	- Interest and Finance Charges	2,480	6,779
	- Sundry creditors written off	(536)	-
	- Profit on sale of fixed assets	(79)	-
	- Interest Income on Fixed Deposits	(1,420)	(318)
	- Other adjustments	161	-
	Operating Profit Before Working Capital Changes	**11,474**	**17,717**
	Adjustments for :	-	-
	- (Increase) / Decrease in Inventories	(78)	(4,612)
	- (Increase) / Decrease in Trade Receivables	13,752	35,712
	- (Increase) / Decrease in Other Financial Assets	(4,451)	(3,231)
	- (Increase) / Decrease in Other Current Assets	(3,806)	263
	- Increase / (Decrease) in Trade Payables	(202)	13,244
	- Increase / (Decrease) in Other Current Liabilities	(1,945)	1,950
	- Increase / (Decrease) in Other Financial Liabilities and Provision	(2,728)	(8,527)
	- Change in Other Assets	10	(102)
	Cash Generated From Operations	**12,026**	**52,414**
	- Income Tax Refund/ (Paid)	(534)	(91)
	Net Cash Flow Generated From Operating Activities	**11,492**	**52,323**
		-	-
B	**Cash Flow From Investing Activities**	-	-
	- Additions To PPE and Intangible Assets	(8,651)	(5,163)
	- Proceeds From Sale/ Disposal of Property, Plant and Equipment	1,388	188
	- Interest Received	1,341	316
	- Investment In Fixed Deposit	(3,665)	(10,095)
	- Investment In Equity Instruments	(5,376)	-
	- Investment In Gold Bonds	(412)	-
	Net Cash Flows (Used In) Investing Activities	**(15,375)**	**(14,754)**
		-	-
C	**Cash Flow From Financing Activities**	-	-
	- Proceeds/(Repayments) of Share Capital	-	-
	- Proceeds/(Repayments) of Long Term Borrowings	-	(13,976)
	- (Repayments of) / Proceeds From Short Term Borrowings (Net)	-	(5,510)
	- Interest And Finance Charges Paid	(2,480)	(10,498)
	Net Cash Flows (Used In)/ Generated From Financing Activities	**(2,480)**	**(29,984)**
		-	-
	Net Change In Cash and Cash Equivalents (A+B+C)	(6,363)	7,586
	Cash And Cash Equivalents- Opening Balance	13,045	5,459
	Cash And Cash Equivalents- Closing Balance	6,682	13,045
	Notes To Cash Flow Statement:		
	Cash And Cash Equivalents Include :		
	Cash on Hand	2	2
	Balances with Banks	6,680	13,043
	Cash And Cash Equivalents at the end of the year [Refer Note No 11]	**6,682**	**13,045**

Summary of Significant Accounting Policies &
Notes to the Financial Statements **"1" to "39"**

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

For and on behalf of the Board

(Manoj Kumar Vats)
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DIN : 00008480

Place: New Delhi
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(Ramesh Chand Sharma)
Jt. President & CFO

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

Equity
Particulars

a. Equity share capital	(Rs. in Lakhs)
Balance as at 31st March, 2023	35,246
Equity Share Issued During the period	-
Balance as at 31st March, 2024	35,246

b. Other Equity (Rs. in Lakhs)

Particular	Equity Component of Compulsory Convertible Preference Share	Security Premium	Retained Earnings	Remeasurements of the Defined Benefit Plans	Total
Balance as at 31st March, 2023	-	42,382	3,924	201	46,508
Profit For the Year	-	-	1,318	-	1,318
Remeasurement of Defined Benefit Liability (Net of Tax)	-	-	-	142	142
Changes During The Year	-	-	-	-	-
Balance as at 31st March, 2024	-	42,382	5,243	343	47,968

Summary of Significant Accounting Policies & Notes to the Financial Statements **"1" to "39"**

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

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

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DIN : 00008480

Place: New Delhi
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(Ramesh Chand Sharma)
Jt. President & CFO

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2024

Note No."1" Nature of Operations

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.

Note No."2" Statement of Compliance

These consolidated 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 consolidated 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 consolidated financial statements have been prepared in Indian Rupee (Rs.) 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 consolidated financial statements have been discussed in the respective notes.

B. Use of Estimates and Judgments

The preparation of these consolidated 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 assets acquired in a business combination is recognized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are 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 3 years.

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

c. Inventories

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

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

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

d. Revenue Recognition

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 supersede the current revenue recognition standard Ind AS 18 Revenue & Ind AS 11 Construction Contracts. Prior to 1st April, 2018, the company was recognizing revenue based on Ind AS 18).

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

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

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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, 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.

l. Provisions

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

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

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

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

m. Contingent Liabilities

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

n. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their 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.

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE No. "4"

Property Plant & Equipment (Rs. 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
Gross Block												
As at 31st March, 2023	24,344	13,135	89,153	877	399	20	189	20	124	423	313	**128,999**
Additions	-	5,150	47	225	8	-	5	2	-	-	213	**5,650**
Disposals/Discard	-	1,184	358	-	-	0	-	-	-	-	64	**1,607**
As at 31st March, 2024	**24,344**	**17,102**	**88,842**	**1,102**	**407**	**19**	**194**	**22**	**124**	**423**	**462**	**133,042**
Accumulated Depreciation												
As at 31st March, 2023	**-**	**2,683**	**59,609**	**647**	**315**	**11**	**142**	**12**	**84**	**249**	**240**	**63,992**
Charge for the year	-	394	6,753	69	22	0	13	2	6	28	33	**7,320**
Disposals/Discard	-	4	231	-	-	-	-	-	-	-	62	**297**
As at 31st March, 2024	**-**	**3,072**	**66,131**	**716**	**337**	**11**	**155**	**14**	**89**	**278**	**211**	**71,015**
Net Block(As at 31st March, 2023)	**24,344**	**10,453**	**29,543**	**230**	**85**	**9**	**47**	**8**	**40**	**174**	**73**	**65,006**
Net Block(As at 31st March, 2024)	**24,344**	**14,030**	**22,711**	**386**	**70**	**8**	**39**	**8**	**35**	**145**	**251**	**62,027**

NOTE No. "4.1"

Property Plant & Equipment

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Project in progress	3,001	195	-	-	3,196

NOTE No. "5"

Investments

a. Investments in Equity Instruments	No. of Shares	As on 31st March, 2024	As on 31st March, 2023
Investment in equity shares of Associate Company (at cost) Unquoted, Fully Paidup of Rs. 10/- each			
Resurgent India Food & Fuel Private Limited	2,411,500	241	-
Share of Profit/(Loss)		1	
Value of Investment as on 31.03.2024		242	
Bharat Digital Education Private Limited (Formerly known as Quality Health and Education Private Limited)	5,000,000	500	-
Share of Profit/(Loss)		(53)	
Value of Investment as on 31.03.2024		447	
Total		**689**	**-**
b. Investment in 9% Secured Non Convertible Debentures Unquoted Fully Paid up	**No. of Debentures**		
Himalayaputra Aviation Limited	1,000	1,000	-
JIL Information Technology Ltd.	3,000	3,000	-
Total		**4,000**	**-**
Grand Total		**4,689**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

	As on 31st March, 2024	As on 31st March, 2023
NOTE No. "6"		
Other Financial Assets		
Term Deposit Account with Maturity of more than 12 Months pledged as margin with banks against LC/BG	13	817
Security Deposit	1,615	1,614
Other Receivables	346	87
	1,974	**2,518**
NOTE No. "7"		
Other Non-Current Assets		
Prepaid Expenses	3	4
Tax Assets (Net)		
Advance Tax	715	724
	718	**728**

(Rs. in Lakhs)

	As on 31st March, 2024	As on 31st March, 2023
NOTE No. "8"		
Inventories		
Raw Materials	747	809
Work in Progress	1,835	1,528
Finished Goods	317	479
Finished Goods In Transit	3,188	3,644
Stores & Spares	3,836	3,308
Stores & Spares in Transit	47	-
Catalyst	556	681
	10,526	**10,449**

NOTE No. "9"

Investments

a. Investments in Equity Shares Quoted Fully Paid up	**No. of Shares**	**As on 31st March, 2024**	**As on 31st March, 2023**
Apollo Hospitals Enterprise Limited	400	25	-
Axis Bank Limited	1000	10	-
Bharat Dynamics Limited	1000	18	-
Bharat Electronics Limited	2000	4	-
BEML Limited	1000	32	-
Dalmia Bharat Limited	1000	19	-
Data Patterns (India) Limited	300	7	-
Devyani International Limited	9000	14	-
HDFC Bank Limited	800	12	-
ICICI Bank Limited	3500	38	-
Indian Railway Catering and Tourism Corporation Limited	1500	14	-
ITC Limited	5500	24	-
Larsen and Toubro Limited	3000	113	-
Paras Defence and Space Technologies Limited	700	4	-
Reliance Industries Limited	3680	109	-
JIO Financial Services Limited	6880	24	-
SBI Life Insurance Company Limited	1000	15	-
TATA Communications Limited	1000	20	-
Tata Consultancy Services Limited	300	12	-
Tejas Networks Limited	1500	10	-
Tata Teleservices (Maharashtra) Limited	10000	7	-
Ultratech Cement Limited	1000	97	-
Vedanta Limited	2000	5	-
Total		**635**	**-**
b. Other Investment	**No. of Shares**		
Gold Bonds Quoted			
Government of India SGB 19MY 28S II 2.50 FV Rs. 4590	2000	129	-
Nippon India Mutual Fund ETF Gold BeES	500000	283	-
Total		**412**	**-**
Grand Total		**1,047**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE No. "10"

(Rs. in Lakhs)

Trade Receivables	**As on 31st March, 2024**	**As on 31st March, 2023**
Others (Unsecured, Considered Good)	29,372	43,123
Less : Provision for Bad & Doubtful Debts	563	563
	28,809	42,560

Ageing analysis of trade receivables As on 31.03.2024 (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	28,744					28,744
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	-	65	65
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	**28,744**	**-**	**-**	**-**	**65**	**28,809**

Ageing analysis of trade receivables As on 31.03.2023 (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	-	7,880	30,885	3,450	280	42,496
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	-	65	65
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	**-**	**7,880**	**30,885**	**3,450**	**345**	**42,561**

NOTE No. "11"	**As on 31st March, 2024**	**As on 31st March, 2023**
Cash and Cash Equivalents		
Balance with Banks	792	1,450
Term Deposit Account with Maturity of Less Than Three Months	612	11,044
Term Deposit Account with Maturity of Less Than Three Months pledged as margin with banks against LC/BGs	5,276	548
Cash in Hand	2	2
	6,682	**13,045**

NOTE No. "12"		
Other Bank Balances		
Deposits with Maturity for more than 3 months but Less than 12 months	9,938	1,236
Deposits with Maturity for more than 3 months but Less than 12 months pledged as margin with banks against LC/BGs	4,974	9,206
	14,912	**10,442**

NOTE No. "13"	**As on 31st March, 2024**	**As on 31st March, 2023**
Other Financial Assets		
Accrued Interest Receivable	178	99
Other Receivables	76	17
Related Party	22,092	17,959
	22,346	**18,075**

NOTE No. "14"		
Other Current Assets		
Prepaid Expenses	119	108
Advances to Vendors	1,335	483
GST Refund Receivable	403	78
GST/VAT Receivable	6,084	4,335
Investment in Gold Bars	274	-
TDS & Advance Taxes	840	246
	9,055	**5,250**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

NOTE No. "15"	As on 31st March, 2024	As on 31st March, 2023
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	-	-
35,00,00,000 (Previous period 35,00,00,000) Convertible Preference Shares of Rs. 10/- each	35,000	35,000
2,50,00,000 (Previous period 2,50,00,000) Cumulative Redeemable Preference Shares of Rs. 10/- each	2,500	2,500
	120,000	**120,000**
Issued, subscribed and paid up capital		
Equity Share Capital		
35,24,57,225 (Previous period 35,24,57,225) Shares of Rs. 10/- each fully paid up	35,246	35,246

Details of Shareholders Having More than 5% Shares	% of Shares	As on 31st March, 2024 No. of Shares	% of Shares	As on 31st March, 2023 No. of Shares
Equity Shares				
Jaypee Uttar Bharat Vikas Private Limited	56.76%	200,050,000	56.76%	200,050,000
Jaypee Fertilizers & Industries Limited	36.03%	126,982,549	36.03%	126,982,549
Mahabhadra Constructions Limited	7.09%	25,000,000	7.09%	25,000,000

Movement of details of Shareholders Having More than 5% Shares	As on 31st March, 2024			As on 31st March, 2023		
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	56.76%	-	200,050,000	56.76%	-
Acquired/Converted during the year	-	0.00%	-	-	0.00%	-
Closing Balance	200,050,000	56.76%	-	200,050,000	56.76%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	126,982,549	36.03%	-	117,982,549	33.48%	-
Acquired/Converted during the year	-	0.00%	-	9,000,000	2.55%	-
Closing Balance	126,982,549	36.03%	-	126,982,549	36.03%	-
Mahabhadra Constructions Limited						
Opening Balance	25,000,000	7.09%	-	25,000,000	7.09%	-
Acquired/Converted during the year	-	0.00%	-	-	0.00%	-
Closing Balance	25,000,000	7.09%	-	25,000,000	7.09%	-
Preference Shares						
Jaypee Fertilizers & Industries Limited						
Opening Balance	-	-	-	9,000,000	100%	-
Acquired/Converted during the year	-	-	-	-9,000,000	100%	-
Closing Balance	-		-	-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Reconciliation of No. of Shares Outstanding	As on 31st March, 2024 No. of Shares	As on 31st March, 2023 No. of Shares
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	352,457,225	343,457,225
Equity Shares Issued During the Year	-	9,000,000
Outstanding at the End of the Year	352,457,225	352,457,225
Preference Share		
Preference Shares Outstanding at the Beginning of the Year	-	9,000,000
Preference Shares converted to Equity Shares During the Year	-	9,000,000
Outstanding at the End of the Year	-	-

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-56.76%) including 43,000 Equity Shares through its nominees, Jaypee Fertilizers & Industries Limited (36.03%), Mahabhadra Constructions Limited (7.09%) and Others (0.12%).

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 11% Compulsorily Convertible Preference shares (CCPS) of Kanpur Fertilizers & Chemicals Limited held by Jaypee Fertilizers & Industries Limited (JFIL) were allotted on 31st July 2017 and have been converted into Equity Shares as per terms of allotment, on 27th May, 2022.

(Rs. in Lakhs)

NOTE No. "16" Other Equity	As on 31st March, 2024	As on 31st March, 2023
(i) Equity Component of Financial Instrument		
Opening Balance	-	900
Less: Conversion During the Year	-	900
Closing Balance	**-**	**-**
(ii) Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	3,925	2,243
Profit / (Loss) for the year	1,318	1,682
Closing Balance	**5,243**	**3,925**
(b) Security Premium Reserve		
Opening Balance	42,382	42,382
Addition during the Year	-	-
Closing Balance	**42,382**	**42,382**
Total Reserve & Surplus	**47,625**	**46,307**
(iii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	201	192
Addition/Deduction during the Year	142	9
Closing Balance	**343**	**201**
Total Other Equity	**47,968**	**46,508**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs. in Lakhs)

NOTE No. "17"	As on 31st March, 2024	As on 31st March, 2023
Other Financial Liabilities		
Security and Other Deposits	1,662	1,485
	1,662	**1,485**

NOTE No. "18"	As on 31st March, 2024	As on 31st March, 2023
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	194	168
Leave Encashment	148	123
	342	**291**

(Rs. in Lakhs)

NOTE No. "19"	As on 31st March, 2024	As on 31st March, 2023
Deferred Tax Assets		
Provision for Leave encashment, Gratuity & Bonus	147	129
Brought Forward Losses & Unabsorbed Depreciation	-	-
Deferred Tax Asset/Liability on Investment in Group Companies	18	-
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	2,185	3,274
Net Deferred Tax Assets/(Liabilty)	2,020	3,145
MAT Credit Entitlement	-	2,411
Total	**2,020**	**734**

Movement in deferred tax balances (Rs. in Lakhs)

31st March 2024				
Particulars	**Net Balance April 1, 2023**	**Recognised in P & L**	**Recognised in OCI**	**Net Balance Mar 31, 2024**
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(3,274)	1,089	-	(2,185)
Provision for Leave encashment ,Gratuity & Bonus	129	25	(8)	147
Deferred Tax Asset/Liability on Investment in Group Companies	-	(177)	195	18
Brought Forward Losses & Unabsorbed Depreciation	(0)	0	-	-
Net Deferred Tax Assets/(Liabilities)	**(3,145)**	**938**	**188**	**(2,020)**
31st March 2023				
Particulars	**Net Balance April 1, 2022**	**Recognised in P & L**	**Recognised in OCI**	**Net Balance Mar 31, 2023**
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(4,206)	931	-	(3,274)
Provision for Leave encashment & Gratuity	129	5	(5)	129
Brought Forward Losses & Unabsorbed Depreciation	2,299	(2,299)	-	-
Net Deferred Tax Assets/(Liabilities)	**(1,777)**	**(1,363)**	**(5)**	**(3,145)**

NOTE No. "20"

Trade Payables	As on 31st March, 2024	As on 31st March, 2023
Others	69,940	70,312
Micro Small Medium Enterprises	373	397
	70,313	**70,709**
Details relating to Micro, Small and Medium Enterprises is as under -		
a) Principal amount	373	397
b) Interest thereon	-	-
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 adding the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at 31st March, 2023	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Ageing analysis of trade payable As on 31.03.2024 (Rs in Lakhs)

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	373	-	-	-	373
b) Others	69,892	24	2	22	69,940
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**70,265**	**24**	**2**	**22**	**70,313**

* MSME Dues are less than 45 days

Ageing analysis of trade payable As on 31.03.2023

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	397	-	-	-	397
b) Others	70,284	6	2	20	70,312
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**70,681**	**6**	**2**	**20**	**70,709**

* MSME Dues are less than 45 days

(Rs in Lakhs)

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "21"		
Other Financial Liabilities		
Payable on Account of Employees	529	416
Security and Other Deposits	142	142
Amount Payable to Related Parties	69	66
Other Payable	5,968	9,257
	6,708	**9,881**
NOTE No. "22"		
Other Current Liabilities		
Statutory Taxes and Dues	437	540
Advance Received from Customers	420	2,262
	857	**2,802**
NOTE No. "23"		
Provisions		
Gratuity	32	38
Leave Encashment	45	41
	77	**79**
NOTE No. "24"		
Current Tax Liability		
Provision for Income Tax	788	534
	788	**534**
NOTE No. "25"		
Revenue from Operation		
Sale of Products		
Urea Sale	35,944	32,888
Govt Subsidy- Urea	236,690	274,833
GAIL Subsidy- Gas pool	14,979	-
Sale-Flyash	132	154
	287,745	**307,875**
Other Operating Revenue		
Sale -Traded Product	5,866	5,014
Ammonia Sale	1,274	6,952
	7,140	**11,966**
	294,885	**319,841**

(Rs in Lakhs)

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "26"		
Other Income		
Interest Income (including fair value of financial liability at amortised cost)	1,420	318
Insurance Claim Received	47	-
Foreign Exchange Gain (Net)	-	-
Misc Receipts	688	206
		-
	2,155	**524**
NOTE No. "27"		
Cost of material Consumed		
Raw Materials Consumed	201,877	231,056
Coal Consumed	6,398	10,175
Bags Consumed	3,001	2,908
	211,276	**244,139**
NOTE No. "28"		
Purchases of Stock-in-Trade		
Wheat seed	2,497	2,206
Calcium Nitrate	191	-
Zyme	1,078	1,024
Micro Nutrient	444	556
Sulphur	344	211
Zinc Sulphate	28	24
City Compost	27	19
Ferrous Sulphate	275	195
Others	55	92
	4,939	**4,327**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(Rs in Lakhs)

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "29"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	1,528	1,101
Finished Goods	4,122	596
	5,650	**1,697**
Closing Stock		
Work-in-Progress	1,836	1,528
Finished Goods	3,504	4,122
	5,340	**5,650**
	310	**(3,953)**
NOTE No. "30"		
Employee Benefit Expense		
Salaries and Wages	5,586	4,149
Contribution to Provident and Other Funds	197	194
Gratuity	97	77
Staff Welfare	23	30
	5,903	**4,450**
NOTE No. "31"		
Finance Cost		
Interest to Banks on Working Capital	-	296
Interest to Banks on Term Loan	-	1,445
Interest to Others	2,480	4,935
Financial Charges	-	103
	2,480	**6,779**
NOTE No. "32"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	7,320	7,225
	7,320	**7,225**

(Rs in Lakhs)

Particulars	Year Ended 31.03.2024 (Audited)	Year Ended 31.03.2023 (Audited)
NOTE No. "33"		
Other expenses		
Repairs & Maintenance - Others	248	201
Electricity Charges	39,560	37,426
Store and Spares Consumed	2,390	2,127
Repairs & Maintenance - Plant	1,818	2,010
Directors' Meeting Fee	36	21
Commission to Non-executive Directors	263	-
Insurance	231	250
Rates & Taxes	309	107
Loading & Unloading Charges	1,227	1,218
Travelling & Conveyance Expenses	308	245
Corporate Social Responsibility	43	93
Vehicle Running & Hiring Charges	249	244
Freight & Octroi Expenses	6,310	5,625
Advertising and Sales Promotion	699	1,440
Legal & Professional	3,488	1,161
Bank Charges & LC/BG Commission	64	451
Safety & Security	335	321
Donation & Charity	3,000	-
Horticulture and Gardening	49	26
Auditors Remuneration*	28	25
(*) please refer details below		
Fair value of Financial Liability at amortised cost	118	110
Miscellaneous Expenses	493	217
	61,266	**53,318**
NOTE No. "34"		
Exceptional Items (Net)	-	-

(*) Auditors Remuneration

Particulars	**For year ended 31.03.2024**	**For year ended 31.03.2023**
Audit Fees (Including Limited Review Fees)	8	8
Tax Audit Fees	3	3
Cost Audit Fees	3	3
Internal Audit Fees	8	8
Secretarial	1	1
Management Audit Fees	3	-
Audit Expenses	3	2
Total	**28**	**25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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, 2024	March 31, 2023
Current tax expense		
Current year	787	1,034
MAT Credit	2,517	-
Adjustment for prior periods	74	-
	3,378	**1,034**
Deferred tax expense		
Origination and reversal of temporary differences	(1,183)	1,363
Reduction in tax rate	0	-
	(1,183)	1,363
Total income tax expense	**2,195**	**2,397**

ii) Income tax recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	March 31, 2024			March 31, 2023		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	23	(8)	15	14	(5)	9
- Net gains/(losses) on Investments	195	(68)	127	-	-	-
	218	**(76)**	**142**	**14**	**(5)**	**9**

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

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Accounting Profit/(Loss) before tax expense	**3,548**	**4,079**
Enacted tax rate	34.944%	34.944%
Taxed at India Statutory Tax Rates	**1,240**	**1,425**
Tax Effect of:-		
Non-Deductible Expenses	1,238	102
Non-Taxable Incomes	(55)	(27)
Expenses disallowed earlier now allowed as per Income Tax Act,1961	**(61)**	**(40)**
Impact of Depreciation as per Income Tax Act,1961	**1,117**	**948**
Carry Forward of Income Tax Losses for current year	(3,478)	(2,408)
Current tax of Prior Period	-	-
Deffered Tax Impact	(1,107)	1,367
Tax Expenses	**(1,107)**	**1,367**

iv) The tax rates under Indian Income Tax Act, for Financial Year 2023-24 is 34.944% (Previous year 2022-23 is 34.944%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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

Basic and diluted earnings per share (Rupees)	March 31, 2024	March 31, 2023
Basic earnings per share (Refer footnote a & b)	0.42	0.48
Diluted earnings per share	0.42	0.48
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders (Rs. in Lakhs)		
Profit for the year	1,460	1,691
Profit attributable to equity shareholders	**1,460**	**1,691**
(b) Weighted average number of equity shares (Nos in Lakhs)		
Opening balance of issued equity shares	3,525	3,434
Effect of shares issued/ Converted during the year, if any	-	90
Weighted average number of equity shares for Basic EPS (b)	**3,525**	**3,525**
(c) Weighted average number of Convertible Preference shares		
Opening balance of issued Preference shares	-	90
Effect of shares Issued during the year, if any	-	-
Balance shares convertible at the end of the Year	**-**	**90**
Effect of shares Converted during the year, if any	**-**	**(90)**
Weighted average number of Convertible Preference shares (c)	**-**	**-**
Weighted average number of equity shares for Diluted EPS (b+c)	**3,525**	**3,525**

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. 1.97 crore (31st March 2023: Rs. 1.95 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 31.03.2024	As at 31.03.2023
Net defined benefit Obligation :		
Gratuity (funded)	54	72
Total	**54**	**72**
Total employee benefit obligation		
Non-current	195	168
Current	32	38
Total	**226**	**205**

(Rs. in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Movement in net defined benefit obligation for the year		
Present Value of Obligation as at the beginning of Period	205	215
Interest Cost	15	15
Service Cost	37	34
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-54	-72
Total Actuarial (Gains)/Loss on obligation	23	14
Total Service Cost to be recognised in Statement of Profit & Loss A/C	**226**	**205**
Included in OCI		
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	0	0
Financial Assumptions	2	-3
Experience Adjustment	20	16
Total Amount Recognised in OCI	**23**	**14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

(Rs. in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Discount rate	7.22%	7.36%
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:

(Rs. in Lakhs)

Particulars	31.03.2024		31.03.2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(8)	9	(7)	7
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	9	(8)	7	(7)

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

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

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

a) **Salary Increases**

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) **Changes in discount rate**

The Reduction in discount rate in subsequent valuations can increase the Plan's Liability

c) **Investment Risk**

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

d) **Mortality & Disability**

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) **Withdrawals**

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

F. Expected maturity analysis of the defined benefit obligations in future years (Rs. in Lakhs)

Particulars	0 to 1 Year	1 to 2 Year	2 to 3 Year	3 to 4 Year	4 to 5 Year	5 to 6 Year	6 Year onward
31 March 2024							
Gratuity	32	30	11	12	13	14	114
Total	**32**	**30**	**11**	**12**	**13**	**14**	**114**

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 31.03.2024	As at 31.03.2023
Gratuity	13	13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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. 1.93 crore (31st March 2023: Rs. 1.65 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 31.03.2024	For the year ended 31.03.2023
A. Amount required to be spent during the year	-	-
B. Amount Actually spent during the year	42.67	92.59
Amount upspent (if any)	**-**	**-**

Amount spent during the year ended 31 March 2024: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	42.67	-	42.67
Grand Total			**42.67**

Amount spent during the year ended 31 March 2023: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	92.59	0	92.59
Grand Total			**92.59**

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2024
1) Sardar Patel Uchchatar Madhyamik Vidhyalaya Rewa	31.00
2) Jaypee Sewa Sansthan (for promoting education)	11.00
3) Water Coolers provided to Atal Residential School (Govt. School), Naurwa, Bilhaur UP	0.67
Total	**42.67**

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2023
1) Smart Board for School	30.79
2) DY. Commissioner Industry, DIC Kanpur for ODOP Exhibition	5.00
3) DY. Commissioner Industry, Kanpur for Woolen Blankets	0.93
4) Provided Lab equipments to Schools	20.18
5) Jaypee Sewa Sansthan	21.00
6) Anglo Vedic Educational Association	14.06
7) Labour Office-2 System Set	0.63
Total	**92.59**

NOTE No. "39"

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

(Rs. in Lakhs)

Particulars	2023-24	2022-23
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt	11	328
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt.(#)	356	356
Amount deposited under protest.	57	12
c) Legal claims against Civil/Labour Court Cases	1,175	3,088
d) Stamp Duty (U/s 47 of Stamp Act)	4,223	4,223
e) Outstanding Balances of Bank Guarantees	652	643
Margin Money deposited against the above	653	971
f) Outstanding Letters of Credit (including Foreign LCs)	9,000	9,000
Margin Money deposited against the above	9,566	9,008

(#) The Appeals are to be filed before State Bench of Goods and Service Tax Appellate Tribunal as and when they will constitute. Reference Notification No. S.O.4073(E) dated 14th September,2023. As per pre deposit condition 20% of outstanding demand has been deposited and right to appeal before Appellate Tribunal has been reserved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

2. Related Party Disclosure

Name of Related Party and Relationship

a) Holding Company

Jaypee Uttar Bharat Vikas Private Limited, (JUBVPL), Jaypee Fertilizers & Industries Limited (JFIL) & Jaiprakash Associates Limited (JAL)

b) Fellow Subsidiary Companies

1. Jaypee Infratech Limited (subsidiary of JAL) *[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.]*
2. Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
3. Himalyan Expressway Limited (wholly owned subsidiary of JAL)
4. Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
5. Jaypee Ganga Infrastructure Corporation Limited (wholly owned subsidiary of JAL)
6. Jaypee Agra Vikas Limited (wholly owned subsidiary of JAL)
7. Jaypee Cement Corporation Limited (JCCL) (wholly owned subsidiary of JAL)
8. Himalyaputra Aviation Limited (wholly owned subsidiary of JAL)
9. Jaypee Assam Cement Limited (wholly owned subsidiary of JAL)
10. Jaypee Infrastructure Development Limited (wholly owned subsidiary of JAL).
11. Jaypee Healthcare Limited. (wholly owned subsidiary of JIL) Entire 42,75,00,000 Equity Shares (including beneficial interest for 600 shares) are held by Jaypee Infratech Limited (JIL), the holding company, till 10.03.2023. Out of the total numbers of shares, JIL had pledged 63.65% shares in favour of lenders of Jaypee Healthcare Limited through their Security Trustee- Vistra ITCL (India) Limited (VISTRA). On 10.03.2023 the aforesaid pledged were invoked by Lenders through their Security Trustee (VISTRA) due to continuing default in debt servicing and shares transferred from demat account of JIL to Vistra. Accordingly, the beneficial ownership and right to possession of aforesaid shares vest with respective lenders till the repayment of debt by the Company. Subsequently, JIL had made a disclosure dated 15.03.2023 to the Stock Exchanges informing therein that accordingly, JIL's shareholding in Jaypee Healthcare Limited has reduced to 36.35% and Jaypee Healthcare has now become an Associate Company as against wholly owned subsidiary of JIL.
12. Jaypee Cement Hockey (India) Limited (wholly owned subsidiary of JAL)
13. Jaiprakash Agri Initiatives Company Limited (wholly owned subsidiary of JCCL)
14. Yamuna Expressway Tolling Limited (wholly owned subsidiary of JAL)
15. East India Energy (P) Ltd. (wholly owned subsidiary of JAL w.e.f. 29.12.2022)

c) Associate Companies:

1. Resurgent India Food & Fuel Service Private Limited (became Associate Company w.e.f. 25.08.2023)
2. Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) (became Associate Company w.e.f. 14.09.2023)
3. Mahabhadra Construction Limited (MCL) (wholly owned subsidiary of Jaypee Infra Ventures Private Limited (JIVPL)
4. JIL Information Technology Limited (JILIT) (Subsidiary of JIVPL)
5. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
6. Jaypee Infra Ventures Private Limited (Holding Company of JILIT and Associate Company of JAL)

d) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri Alok Gaur – Joint Managing Director & CEO
3. Ms. Sunita Joshi – Non Executive Director
4. Shri R.K. Pandey – Non Executive Director (Resigned w.e.f 1st August, 2022)
5. Shri S.D. Nailwal – Non Executive Director
6. Shri Ajit Kumar – Non Executive Director
7. Shri Anil Mohan – Non Executive Director.
8. Shri Satish Charan Kumar Patne – Independent Director (Ceased from Directorship w.e.f. 2nd May, 2023)
9. Shri K.V.Rajendran – Independent Director
10. Shri Devinder Singh Ahuja – Non Executive Director
11. Shri Narinder Kumar Grover – Independent Director (Appointed w.e.f. 24th September, 2022)
12. Shri Vinod Sharma – Director (Appointed w.e.f. 24th September, 2022)
13. Ms. Ritu Gupta- Company Secretary (Appointed w.e.f 27th May, 2022)
14. Shri Sudhir Rana – Chief Financial Officer (Resigned w.e.f 31st March, 2023)
15. Shri R.C. Sharma– Chief Financial Officer (Appointed w.e.f 19th April, 2023)

e) Relative of Director (with whom the Company was having transaction during FY 2022-23)

1. Shri Sunny Gaur, Relative of Shri Manoj Gaur

f) Key Managerial Personnel of Associates Companies Where Company having significant influence.

A) Resurgent India Food & Fuel Service Private Limited (became Associate Company w.e.f. 25.08.2023)

1. Smt. Urvashi Gaur–Non Executive Chairman (Appointed w.e.f. August 30, 2023)
2. Shri Ranvijay Singh – Non Executive Director (Appointed w.e.f. August 30, 2023)
3. Shri Alok Gaur – Non Executive Director(Appointed w.e.f August 22, 2023)
4. Shri Amit Sharma-Non Executive Director (Appointed w.e.f. August 30, 2023)
5. Shri Ashok Shukla – Non Executive Director (First Director w.e.f. May 2, 2023)
6. Shri Rajeev Srivastava – Non Executive Director (Resigned w.e.f. August 30, 2023)
7. Shri Anurag Singhal– Non Executive Director (Resigned w.e.f. August 30, 2023)

B) Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) (became Associate Company w.e.f. 14.09.2023)

1. Smt. Urvashi Gaur - Director
2. Smt. Anjali Jain - Director
3. Ms. Sunita Joshi - Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

i) Disclosure of Related Party Transactions and their Closing Balances is as Under : (Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transcation	Transcation During the year		Payment	Outstanding Balance as at	
			FY 2023-24	FY 2022-23	FY 2023-24	31st March, 2024	31st March, 2023
Jaypee Fertilizers & Industries Limited	Holding Company	Reimursement Towards Expenses	-	-	2	1,515	1,515
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimursement Towards Expenses	-	-	0	1	1
Jaiprakash Associates Limited	Holding Company	Purchase of Power	-	-	4,443	18,436	16,143
		Cement Purchased	-	2			
		Assets Puchased	812	-			
		Hotel Services	4	-			
		Rent	1	-			
		Flat & Land Purchased	-	696			
		Services	2,414	812			
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Helicopter & Aeroplane hire Charges	121	120	1,100	-12	-12
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	313	274	336	-30	-27
		Sale of Service					
JIL Information Technology Ltd.	Associate Company	Manpower Supply	151	79	5,306	1,640	-27
		Assets Purchased	314	65			
		Flat Purchased	2,950	1,191			
		Sale of Service	59				
Resurgent India Food & Fuel Service (P) Ltd.	Associate Company	Sale of Service	400	-	598	-	-
Jaypee Infra Venture Pvt Ltd	Associate Company	Sale of Service	225		226	-27	
Jaypee Cement Corporation Ltd.	Associate Company	Purchase of AC Sheets		5		300	300
Shri Sunny Gaur	Relative of Manoj Gaur (Non-Executive Chairman)	Flat Purchased		2,800		-	-
Gaur & Nagi Limited	Associate Company	Publishing Charges & Services provided	19	1	220	199	-0
Total						**22,023**	**17,894**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Receivable / Debit Balance of Related party as at 31st March', 2024	(Rs. in Lakhs)
Jaypee Fertilizers & Industries Limited	1,515
JIL Information Technology Ltd.	1,640
Jaypee Uttar Bharat Vikas Private Limited	1
Gaur & Nagi Limited	199
Jaiprakash Associates Limited	18,436
Jaypee Cement Corporation Ltd.	300
Total	22,092

Payable / Credit Balance of Related party as at 31st March, 2024	(Rs. in Lakhs)
Himalayaputra Aviation Limited	-12
Resurgent India Food & Fuel Service (P) Ltd.	-
Jaypee Vasant Continental	-27
Jaypee Infra Venture Pvt. Ltd.	-
Gaur & Nagi Limited	-
Mahabhadra Constructions Ltd.	-30
Total	-69

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transcation	Transaction During the year		Outstanding Balance as at	
			FY 2023-24	FY 2022-23	31st March, 2024	31st March, 2023
Manoj Gaur	Non Executive Chairman	Commission	201	-	-	-
Alok Gaur	Jt. MD & CEO	Short term employee benefit			-3	-6
		Salary	163	109		
		Arrear of (P) year Salary	53			
S D Nailwal	Non Executive Director	Commission	20	-	-	0
Sunita Joshi	Non Executive Director	Commission	10	-	-	-
S C K Patne	Independent Director	Commission	10	-	-	-
Anil Mohan	Non Executive Director	Commission	5	-	-0	-0
K V Rajendran	Independent Director	Commission	5	-	-	-
Ajit Kumar	Non Executive Director	Advisory Fees	27	27	-2	-2
		Commission	3			
Devinder Singh Ahuja	Non Executive Director	Advisory Fees	70	74	-6	-6
		Commission	3			
N K Grover	Independent Director	Commission	3	-	-	-
Vinod Sharma	Director	Commission	3	-	-	-
Sudhir Rana	CFO	Short term employee benefit				
		Salary		40	-	-2
		Car Hire Charges		4		-0
Ramesh Chand Sharma	CFO	Short term employee benefit				
		Salary	30		-2	-
		Car Hire Charges	4		-0	-
Ritu Gupta	Company Secretary	Short term employee benefit				
		Salary	21	17	-2	-1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

3. Financial Instrument

(i) Capital Management

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Debt*	-	-
Cash and Bank Balance (including Cash and Bank Balances in a disposal group held for sale)	21,606	24,304
Net Debt	**-**	**-**
Equity	**83,248**	**81,754**
Total Debt + Equity	**-**	**-**
Net Debt to Equity Ratio	N.A	N.A

Debt is defined as Non-current and Current borrowings.

(ii) Categories of Financial Instruments

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	21,606	24,304
b) Other Financial Assets	24,320	20,593
c) Trade Receivable	28,809	42,561
Total	**74,734**	**87,458**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	-	-
b) Current Borrowing	-	-
c) Trade Payable	70,313	70,709
d) Other Financial Liability*	8,370	11,365
Total	**78,683**	**82,075**

* 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(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
– 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:

(Rs. in Lakhs)

S.No	Particulars	As at March 31st, 2024	As at March 31st, 2023
1	FICC, GoI	26,024	42,429

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 21,606(31 March 2023: Rs. 24,304). 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. 563.00 Lacs 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 may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2024 and March 31, 2023 is the carrying amounts of trade payables and other liabilities. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The trade payable and other payables are having short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analysis financial liabilities by remaining contractual maturities:

(Rs. in Lakhs)

Particulars	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at March 31, 2024						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,313	-	-	70,313	70,313
Other Financial Liabilities	13	8,370	-	-	8,370	8,370
Total		**78,683**	**-**	**-**	**78,683**	**78,683**
As at March 31, 2023						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,710	-	-	70,710	70,710
Other Financial Liabilities	13	9,881	-	1,484	11,365	11,365
Total		**80,590**	**0**	**1,484**	**82,075**	**82,075**

– 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 optimizing the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

(v) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest risk on borrowings at the Balance Sheet date as there is no outstanding of borrowings as on March 31, 2024 and March 31, 2023. Rate of interest of term deposits, security deposits etc. are fixed and are carried at amortised cost and therefore same are not subject to interest rate risk. The following table analysis the breakdown of the financial assets and liabilities into interest-free and interest-bearing financial instruments:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Non-interest bearing		
Cash and cash equivalents	794	1,452
Others Financial Assets	22,355	18,075
Trade receivables	28,809	42,561
Interest bearing		
Other Financial Assets		
- Term Deposits with Banks	5,888	11,592
- Security Deposits	1,616	1,615
Bank Balances other than cash and cash equivalents		
- Term Deposits with Banks	14,924	11,259
Financial liabilities		
Non-interest bearing		
Trade Payables	70,313	70,709
Other Financial Liabilities (including lease liabilities)	6,717	9,881
Interest bearing		
Other Financial Liabilities		
- Security Deposits	1,662	1,484

(vi) Fixed Deposits Lien With

Out of total FDRs' of Rs. 20,812 Lakhs FDRs' worth Rs. 10,264 Lakhs are lien marked with various authorities/government departments as under:

(Rs. in Lakhs)

Sl. No.	Name of Company/Department	
1	GAIL	9,566
2	Sales Tax/Vat Authorities	15
3	KESCO/UPPCL	508
4	Railways	71
5	Labour Court	94
6	UP Pollution Control Board	10
	Total	10,264

4. Certain balances of Trade Receivables, Advances from Customers, Advances to suppliers, Trade Payables, Dealers etc. are subject to confirmations. In the opinion of the Management, no major adjustment will be required to be made in the books of account on receipt of these confirmations and subsequent to their reconciliations.

5. a) Ratios

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Current Ratio		
Current Assets	93,385	99,821
Current Liabilities	78,752	84,006
Ratio	**1.19**	**1.19**
%Change	**-**	**-**
Debt Equity Ratio		
Long Term Borrowings + Short Term Borrowings	0.00	0.00
Shareholders Funds	83,248	81,754
Ratio	**-**	**-**
%Change	**-**	**-**

Remarks : Change is due to Company repaid all its Borrowings during the previous financial year.

Particulars	2023-24	2022-23
Debt Service Coverage Ratio		
EBIDTA	13,348	18,083
Principal repayments of Long term borrowings & Interest	-	21,356
Ratio	**-**	**0.85**
%Change	**100%**	

Remarks : Company repaid all its Long Term borrowings along with interest in FY 2022-23 itself.

Particulars	2023-24	2022-23
Return on Equity/ Investment Ratio		
Net Profit after Taxes	1,494	1,691
Shareholder's Equity	83,248	81,754
Ratio	**0.02**	**0.02**
%Change	**-**	
Inventory Turnover Ratio		
Sales	2,94,885	3,19,841
Average Inventory	10,487	8,143
Ratio	**28.12**	**39.28**
%Change	**28.42%**	

Remark – Average Inventory has increased.

Particulars	2023-24	2022-23
Trade Receivables Turnover Ratio		
Net Credit Sales	2,94,885	3,19,841
Avg Accounts Receivable	35,685	60,423
Ratio	**8.26**	**5.29**
%Change	**-56.14%**	

Remark – (Previous year receivables realised during the year)

Particulars	2023-24	2022-23
Trade Payables Turnover Ratio		
Net Credit Purchases	70,313	70,709
Avg Trade Payables	70,511	64,088
Ratio	**1.00**	**1.10**
%Change	**0.09%**	
Net Capital Turnover Ratio		
Net Sales	2,94,885	3,19,841
Working Capital (Current Assets- Current Liabilities)	14,634	15,569
Ratio	**20.15**	**20.54**
%Change	**0.02%**	
Net Profit Ratio		
Net Profit	1,494	1,691
Net Sales	2,94,885	3,19,841
Ratio	**0.01**	**0.01**
%Change	**-**	
Return on Capital Employed		
Earning before Interest and Taxes	13,348	18,083
Capital Employed	79,857	80,770
Ratio	**16.71%**	**22.39%**
%Change	**25.37%**	

Remarks : Significant Change in Ratio due to decrease in EBIDTA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 prepaid its entire Term Loans and Working Capital fund based facilities. No Dues Certificate has been issued by the lenders and Satisfaction of Charge have also been filed with the Registrar of Companies.

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 spend amount as CSR expenses during the FY 23- 24.

ii) However, the company has incurred an amount of Rs.42.67 Lakhs as CSR expenditure during FY 23-24

Particulars	For the year ended 31.03.2024 (Rs. in Lacs)
1) Sardar Patel Uchchatar Madhyamik Vidhyalaya Rewa	31
2) Jaypee Sewa Sansthan (for promoting education)	11
3) Water Coolers provided to Atal Residential School (Govt. School), Naurwa, Bilhaur, UP.	1
Total	**43**

l) Details of Crypto Currency or Virtual Currency:

The company has not dealt with crypto/virtual currency.

5) Interest in Associates Companies.

Set out below are the associates of the group as at 31st March 2024 which, are material to the Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entities	Place of Business	% of Ownership Interest	Relationship	Accounting Method
Resurgent India Food & Fuel Service Private Limited#	India	35.47%	Associate	Equity Method
Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) #	India	50%	Associate	Equity Method
# Unlisted entity- no quoted price available				
%age Share of Commitment and contingent liabilities in respect of above associates-NIL				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Summarised Balance Sheet of Associates Companies

(Rs. in Lacs)

Particulars	Resurgent India Food & Fuel Service Private Limited		Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited)	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Cash & Cash Equivalents	500.86	Company was incorporated on 02.05.2023 hence information are not available.	863.60	371.59
Other Assets	224.12		21.51	19.83
Total Current Assets (A)	**724.98**		**885.11**	**391.42**
Total Non-Current Assets (B)	**273.46**		**119.31**	**206.24**
Current Financial Liabilities (Excluding trade payable & provisions)	256.05		13.15	0.30
Trade payable & provisions	60.74		10.61	10.31
Total Current liabilities (C)	**316.79**		**23.76**	**10.61**
Non Current Financial Liabilities (Excluding trade payable & provisions)	-		101.45	101.77
Trade payable & provisions	-		0.36	-
Total Non-Current Liabilities (D)	**-**		**101.81**	**101.77**
Net Assets (A+B-C-D)	**681.65**		**878.85**	**485.28**
Equity	681.65		878.85	485.28
Proportion of Company's ownership	35.47%		50%	N.A (became Associate Company w.e.f. 14.09.2023)
Carrying Amount of Investment	241.15		500.00	-
Revenue	396.00		-	-
Other Income	11.83		33.91	22.86
Total Revenue	**407.83**		**33.91**	**22.86**
Direct Expense	90.19		-	-
Depreciation & Ammortisation	28.99		3.95	-
Employee Benefit Expense	68.06		20.82	-
Finance Cost	-		9.70	20.12
Other Expense	218.18		108.97	22.41
Total Expense	**405.42**		**143.44**	**42.53**
Profit/ (Loss) before exceptional item and tax	2.41		(109.53)	(19.67)
Exceptional Item	-		-	-
Profit/ (Loss) before Tax	**2.41**		**(109.53)**	**(19.67)**
Tax Expense	0.67		3.11	4.95
Profit/ (Loss) before tax from continuing operations	1.74		(106.42)	(14.72)
Profit/ (Loss) before tax from discontinued operations				
Tax Expense of discontinued operations				
Net movement in Regulatory Deferral A/C Balance (Net of Tax)				
Exceptional Item				
Profit/ (Loss) discontinued operations				
Total Profit/ (Loss) for the Year	**1.74**		**(106.42)**	**(14.72)**
Other Comprehensive Income	-		-	-
Total Income incl. Other Comprehensive Income	**1.74**		**(106.42)**	**(14.72)**
Share of profit/ (Loss) of the Company for the year	**0.62**		**(53.21)**	**-**

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

7) All figures have been rounded off to the nearest rupee in Lacs.

**Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "39"**

As per our report of even date attached to the Consolidated Balance Sheet
For Sharma Vats & Associates
Chartered Accountants
Registration No. 031486N

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Salient Features of the Financial Statement of Subsidiaries/ Associates as per Companies Act, 2013

Part "A" : Subsidiaries

Rs. in Lacs

Sl. No.	Name of the Subsidiary		Reporting Currency	Share Capital	Reserve & Surplus (Other Equity)	Total Assets	Total Liabilities (including loans)	Investment Details (including Share held in Trust and Share Application Money)	Turnover (Revenue from operations and Other Income)	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Other Comprehensive Income	Total Comprehensive I ncome	Proposed Dividend (including Dividend Distribution Tax)	% of Share holding *
1	Resurgent India Food & Fuel Service Private Ltd. #	CY	INR	680	2	998	317	-	407.83	2	2,398	2	-	2	-	35.47%
	(Became Associate Company w.e.f 25.08.2023)	PY	INR	NIL	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	NIL	NIL	-	NIL
2	Bharat Digital Education Private Limited	CY	INR	1,000	(121)	1,004	126	-	34	(110)	(3)	(106)	-	-	-	50%
	(Became Associate Company w.e.f 14.09.2023)	PY	INR	500	(15)	598	112		23	(20)	(5)	(15)			-	NA

CY: Current Year, PY: Previous Year

\# Company was incorporated on 02.05.2023 hence information of previous year are not available.

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "39"

As per our report of even date attached to the Consolidated Balance Sheet
For Sharma Vats & Associates
Chartered Accountants
Registration No. 031486N

For and on behalf of the Board

(Manoj Kumar Vats)
Partner
M. No. 527922

(Manoj Gaur)
Chairman
DIN : 00008480

Place: New Delhi
Dated : 27.04.2024

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

KANPUR FERTILIZERS
& CHEMICALS LIMITED

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