

KANPUR FERTILIZERS & CHEMICALS LIMITED



**ANNUAL
REPORT**
2024-25

Board of Directors

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

Shri Alok Gaur, *Director*
(DIN: 00112520)

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

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

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

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

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

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

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

Dr. Pramod Kumar Agrawal, *Independent Director*
(DIN: 08311041)

Maj. Gen. Vinod Kumar, SM, VSM (Veteran),
Whole-time Director (DIN: 10519650)

*Resigned w.e.f. May 12, 2025

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

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

Company Secretary

Ms. Ritu Gupta

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BOARD'S REPORT

To

The Members,

The Directors of your Company are pleased to present the **Fifteenth Annual Report** together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025.

1. FINANCIAL SUMMARY

The working results of the Company for the Financial Year 2024-25 alongwith its comparison with the previous Financial Year are as under:

(Rs. in Crores)

	Particulars	Year ended 31.03.25	Year ended 31.03.24
(A)	PROFITABILITY		
1	Revenue from operations	2560.09	2948.85
2	Other Income	66.34	21.55
3	Total Income	2626.43	2970.40
4	Profit / (Loss) before Interest, Depreciation & Tax	-48.73	133.48
5	Less : Finance Cost	56.04	24.80
6	Less : Depreciation and amortization expense	46.88	73.20
7	Profit / (Loss) before Exceptional items & Tax	-151.65	35.48
8	Exceptional/Extra-ordinary Items	-	-
9	Profit / (Loss) before Tax	-151.65	35.48
10	Tax Expense	-48.94	21.95
11	Profit/(Loss) after Tax	-102.71	13.53
12	Other Comprehensive Income	-0.84	1.42
13	Total Comprehensive Income	-103.55	14.95
14	Basic Earnings Per Share (in Rs.)	-2.94	0.42
15	Diluted Earnings Per Share (in Rs.)	-2.94	0.42
(B)	ASSETS & LIABILITIES		
1	Non-Current Assets	682.02	726.57
2	Current Assets	758.00	933.76
3	Total Assets (1+2)	1,440.02	1,660.33
4	Equity Share Capital	352.46	352.46
5	Other Equity	376.47	480.02
6	Non-Current Liabilities	21.58	40.42
7	Current Liabilities	689.51	787.43
8	Total Equity and Liabilities (4+5+6+7)	1,440.02	1,660.33

2. DIVIDEND

As the Company has incurred loss, your Directors have not recommended any dividend for the Financial Year 2024-25.

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 operations at the Plant were affected due to disconnection of Gas and electricity by GAIL and KESCO respectively and therefore, the Company was able to achieve 84.60% capacity utilization as against 94.78% last year. Also, energy consumption increased to 7.30 GCal/MT of urea from 7.19 GCal/MT of urea in the previous year.

During the year under Report, the revenue from operations of the Company was Rs.2560.09 Crores as against Rs. 2948.85 Crores during the previous Financial Year 2023-24 and Profit/ (Loss) before tax was Rs. (151.65 Crores) as against Rs. 35.48 Crores during the previous Financial Year.

Nano Urea Plant at Kanpur

Nano Urea Plant was commissioned on February 3, 2025. Technically, trial runs have been undertaken. Consent to operate has been obtained from U.P. Pollution Control Board and samples have been given for testing by the authorities of Government of U.P. On successful completion of which, commercial operations can start.

Update on Urea Production at Plant :

- (i) During the year, four major electrical faults happened due to failure at KESCO plants on May 16, 2024, July 29, 2024, August 12, 2024 and December 11, 2024 as a result of which the operations of the plant were hampered, resulting in loss of energy and production.
- (ii) GAIL disconnected gas supply for almost 45 days from December 18, 2024 till January 31, 2025 due to which loss of production of urea was about 110000 MT. GAIL resorted to unilateral means as they insisted on increase in cash security which was over and above the agreed terms. The Company was also forced to agree to change the commercial terms of the contract with GAIL by increasing its LC amount by Rs. 120 Crores and GAIL reducing its credit period from 90 days to 30 days.
- (iii) KESCO threatened and issued disconnection notices on account of their pending dues of electricity on March 12 and 26, 2025 due to which production was grossly disrupted on both the days. On both these occasions, power disconnection was averted at the 11th hour after the intervention by the Chief Secretary, Govt. of U.P. KESCO payment to the tune of Rs.115 Crores was made in the month of March, 2025, after straining every means and exhausting all its resources.

Such uncalled for disconnection of gas and electricity, not only caused thermal and mechanical stress in the plant & machinery but also led to anxiety and insecurity amongst the employees and it also resulted in a significant financial loss exceeding Rs.150 Crores this year, for reasons not attributable to the Management of the Company.

The energy norms (based upon which subsidy is payable) of 7.443 Gcal/ MT was valid upto March 31, 2025. The energy norms for Financial Year 2026 were not intimated till

March 31, 2025 and applicability of 6.50 Gcal / MT would have meant loss on every ton of Urea produced from April 1, 2025, which the Company was unable to bear. Also, the revision in fixed cost of Rs. 3326 per ton being paid w.e.f. 2013-14 is not being considered for the last 12 years, thereby crippling its financials fully.

Taking into consideration the aforesaid circumstances, there was no alternative but to suspend the Urea Production w.e.f. April 1, 2025. Under the present sequence of events, as a responsible Corporate, the Company has assessed that the pending subsidy of the Company would be adequate to defray the legal dues of GAIL, KESCO and the employees.

Keeping in view the above situation, a Letter dated March 31, 2025 was sent to Secretary (Fertilizers), Ministry of Chemicals & Fertilizer, Government of India stating closure of Urea Production at KFCL, which remains unanswered till date.

Material changes and commitments

Except as disclosed above, 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

There was no change in the Authorized and Paid-up Share Capital of the Company, during the year under review.

As on March 31, 2025, 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, 2025, 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 2024-25, Bharat Digital Education Private Limited has ceased to be an Associate Company of

the Company w.e.f. May 13, 2024 due to transfer of entire shareholding by the Company.

Accordingly, as on March 31, 2025, Resurgent India Food & Fuel Service Private Limited (with 49.72% Shareholding) would remain the only Associate Company of the Company within the meaning of Section 2(6) of the Companies Act, 2013.

Consolidated Financial Statements

The performance and financial position of the aforesaid Associate Company 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 and its Associate Company for the Financial Year ended March 31, 2025, 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)

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) Ms. Sunita Joshi and Shri Devinder Singh Ahuja, 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 10, 2024.
- (b) The Shareholders of the Company at the Annual General Meeting held on June 10, 2024 have approved the appointment of Dr. Pramod Kumar Agrawal as an Independent Director of the Company for a term of 5 consecutive years w.e.f. April 27, 2024 to April 26, 2029.
- (c) Shri Anil Mohan has ceased to be a Director w.e.f. July 29, 2024 due to resignation.
- (d) Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Maj. Gen. Vinod Kumar, SM, VSM (Veteran) as an Additional Director on the Board of the Company w.e.f. July 29, 2024 and as a Whole-time Director for a term of 3 consecutive years w.e.f. August 1, 2024 to July 31, 2027, subject to the approval of the Members in the ensuing Annual General Meeting. Consequently, he has become one of the KMPs of the Company w.e.f. August 1, 2024.
- (e) Shri Devinder Singh Ahuja and Shri Narinder Kumar Grover (Independent Director) have ceased be the Directors of the Company w.e.f. May 12, 2025 due to resignation.
- (f) Shri Alok Gaur has resigned as Whole-time Director designated as Joint Managing Director & CEO which has been accepted by the Board w.e.f. the close of working hours on May 15, 2025 and he will continue as Non-Executive Director on the Board of the Company w.e.f. May 16, 2025.

As on March 31, 2025, Shri Alok Gaur, Joint Managing Director & CEO, Maj. Gen. Vinod Kumar, SM, VSM (Veteran),

Whole-time Director, Shri Ramesh Chand Sharma, Joint President & CFO and Ms. Ritu Gupta, Company Secretary of the Company, were the KMPs of the Company, as per the provisions of Section 203 of the Companies Act, 2013. Shri Alok Gaur ceased to be the KMP of the Company w.e.f. the close of working hours on May 15, 2025.

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

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') and have passed the mandatory online Proficiency self-assessment test conducted by IICA.

The Board acknowledges the contribution made by the Independent Directors of the Company, with their integrity, expertise and diverse experience, in the decision making in Board Meetings. 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.

As per the applicable provisions of Companies Act, 2013 read with Schedule IV, a meeting of the Independent Directors was held on February 7, 2025 without the presence of the Non-Independent Directors and members of Management. In the aforesaid Meeting, 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 other 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.

It was unanimously agreed that the performance of each of the Non-Independent Director and the Board as a whole was very good and adequately met the expectations and they 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 exemplary in every situation.

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

8. PERFORMANCE EVALUATION

It is on record that KFCL despite operating an old Plant repaid all its loans and continued to serve the Nation during COVID-19 pandemic period which is testimony of leadership and highly noteworthy teamwork of entire team.

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 May 12, 2025.

The Nomination and Remuneration Committee (NRC) evaluated the performance of all the Directors and 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 Board and Committee Meetings, etc. and the same was found to be appreciable.
- (b) Performance of the Board as a whole was satisfactory. Healthy and meaningful discussions 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, also met at regular intervals and their performance was also found to be satisfactory, keeping in view the applicable provisions of the Companies Act, 2013.
- (d) The NRC Committee appreciated the proactive role played by Shri Manoj Gaur, Chairman during the difficult phase of the Company. He personally intervened and made all possible efforts for restoration of Gas and electricity for smooth operations of the Plant. But due to non-clarity of economic energy norms by the Government, effective from April 1, 2025 and the likely pruning down of the existing energy norms, there was no alternative but to suspend the Urea production at the Plant w.e.f. April 1, 2025 to avoid incurring losses. As a responsible Corporate which is conscious of its responsibility towards Company's liabilities, the Management has made assessment of its liabilities to GAIL, KESCO and the employees. It was assessed that the pending subsidy from DoF would be adequate to defray the dues of GAIL, KESCO and the employees. The Chairman displayed exemplary leadership and foresightedness and has been a source of strength and guidance to the Board in taking right decisions.
- (e) The efforts made by the Whole-time Directors viz. Shri Alok Gaur, Joint Managing Director & CEO and

Maj. Gen. Vinod Kumar, SM, VSM (Veteran), Whole-time Director, under the guidance of Chairman of the Company, were also appreciated by the Committee.

- (f) The performance of all other non-executive Directors was also found to be satisfactory keeping in view their participation in the deliberations of the Board and active role played by them in taking the decisions for the Company.

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.

9. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2024-25, the Board of Directors met five times, with requisite quorum, on April 27, 2024, July 29, 2024, October 26, 2024, January 12, 2025 and February 7, 2025.

The attendance of the Directors at the Board Meetings held during Financial Year 2024-25 is as under:

Name of the Director	Number of Meetings during the year	
	Held/ Entitled	Attended
Shri Manoj Gaur	5	5
Shri Alok Gaur	5	5
Shri S.D. Nailwal	5	5
Ms. Sunita Joshi	5	5
Dr. Pramod Kumar Agrawal*	5	5
Shri Anil Mohan**	1	1
Shri K.V. Rajendran	5	5
Shri Ajit Kumar	5	5
Shri Devinder Singh Ahuja	5	5
Shri Vinod Sharma	5	5
Shri N.K. Grover	5	5
Maj. Gen. Vinod Kumar, SM, VSM (Veteran)***	4	4

* Appointed as an Independent Director w.e.f. April 27, 2024.

**Ceased to be Director w.e.f. July 29, 2024.

***Appointed as an Additional Director w.e.f. July 29, 2024 and as a Whole-time Director w.e.f. August 1, 2024.

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

10. COMMITTEES OF THE BOARD

The Board has constituted various Committees in accordance with the provisions of the Companies Act, 2013, to provide detailed and necessary assistance in the Company's matters. 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 2024-25, the Audit Committee of the Board of Directors of the Company met four times, with requisite quorum on April 27, 2024, July 29, 2024, October 26, 2024 and February 7, 2025.

The constitution of the Audit Committee and attendance of the Members at its Meetings held during Financial Year 2024-25 are as under:

Name of Members	Number of Meetings during the year	
	Held/ Entitled	Attended
Dr. Pramod Kumar Agrawal, Chairman*	1	1
Shri S.D. Nailwal, Member**	4	4
Shri K.V. Rajendran, Member	4	4
Shri N.K. Grover, Member	4	4

* Inducted as Member (Chairman) of the Audit Committee by the Board of Directors at its Meeting held on October 26, 2024.

** Re-designated as Member of the Audit Committee by the Board of Directors at its Meeting held on October 26, 2024. Prior to this, he was the Chairman of the Audit Committee.

Subsequent to the year end, Shri N.K. Grover has ceased to be a Member of the Audit Committee w.e.f. May 12, 2025 due to his resignation as a Director from the Board of the Company.

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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 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 2024-25, the Committee met two times, with requisite quorum on April 27, 2024 and July 29, 2024.

The constitution of the Nomination and Remuneration Committee and attendance of the Members at its Meetings held during Financial Year 2024-25 are as under:

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

Subsequent to the year end, Dr. Pramod Kumar Agrawal has been inducted as a Member of the Nomination and Remuneration Committee w.e.f. May 12, 2025 in place of Shri N.K. Grover who has ceased to be a Member due to his resignation as a Director from the Board of the Company.

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 2024-25, the CSR Committee met once on April 27, 2024. 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 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. 2023-24, 2022-23 and 2021-22, the Company was required to spend an amount of at least Rs.61,16,534/- on CSR activities during the Financial Year 2024-25. However, as a responsible Corporate and part of Jaypee Group which is known to contribute for the welfare

of the Society, based on the recommendation of CSR Committee and approval of the Board, it was decided to spend an amount of upto Rs. 5 Crores during Financial Year 2024-25 voluntarily on CSR activities with Health, Education and Sanitation being the focus areas. Accordingly, an amount aggregating to Rs. 4.91 Crores was spent on CSR activities during Financial Year 2024-25.

The information pertaining to the Company's CSR activities undertaken during Financial Year ended March 31, 2025 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, 2025, 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 2024-25 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively and the same are being strengthened on continuous basis, from time to time.

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 Notes to the Financial Statements of the Company.

13. RELATED PARTY TRANSACTIONS

There were no material related party transactions during the Financial Year 2024-25, 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, 2025. 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, 2025 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 Auditor to conduct secretarial audit of the Company for the Financial Year ending March 31, 2026, 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, 2025 is annexed as Annexure- III to this Report. The Secretarial Audit Report for the Financial Year ended March 31, 2025 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 2025-26 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 2025-26 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 will be admissible once operations at the Urea Plant of the Company are resumed. The aforesaid matter has been included in the Notice of the 15th 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 2025-26, 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. The details of Nodal Officer are available on Company's website at www.kfclkanpur.com.

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 2024-25 is annexed as **Annexure - V** to this Report.

During Financial Year 2024-25, Shri Alok Gaur, Joint Managing Director & CEO and Maj Gen. Vinod Kumar, SM, VSM (Veteran), Whole-time Directors of the Company, have not received any 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, 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 teamwork, commitment and unstinting efforts of the employees at all levels.

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

Sd/-

**MANOJ GAUR
CHAIRMAN**

(DIN: 00008480)

Place : New Delhi

Date : May 12, 2025

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

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:

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

2. 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

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

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

- Average net profit of the Company as per section 135(5) : Rs. 30,58,26,719/-
- Two percent of average net profit of the Company as per section 135(5) : Rs. 61,16,534/-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : N.A.
 - Amount required to be set off for the financial year, if any : NIL
 - Total CSR obligation for the financial year (7a+7b+7c). : Rs. 61,16,534/-
- 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. 4,91,50,000/-					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 Jaypee University, Anoopshahr	Promoting Education	No	Uttar Pradesh	Bulandshahr	3,00,00,000	Yes	-	-
2	Financial assistance to Sardar Patel Uchchatar Madhyamik Vidyalaya	Promoting Education	No	Madhya Pradesh	Rewa	60,00,000	No	Jaiprakash Sewa Sansthan	CSR00007458
3	Financial assistance to various Schools and Colleges at Anoopshahr	Promoting Education	No	Uttar Pradesh	Bulandshahr	1,26,50,000	No	Jaiprakash Sewa Sansthan	CSR00007458
4	Financial assistance to Vishwakarma Udhhyogik Prashikshan Kendra, Chitta	Promoting Education	No	Uttar Pradesh	Bulandshahr	4,00,000	Yes	-	-
5	For distribution of National Flag, amount was given to Dy. Commissioner Industry, Kanpur	Protection of National heritage, art and culture	Yes	Uttar Pradesh	Kanpur	1,00,000	Yes	-	-
TOTAL						4,91,50,000			

(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. 4,91,50,000/-

(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)	Rs. 61,16,534/-
ii.	Total amount spent for the financial year	Rs. 4,91,50,000/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 4,30,33,466/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 4,30,33,466/-

KANPUR FERTILIZERS & CHEMICALS LIMITED

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) :

- Date of creation or acquisition of the capital asset(s):N.A.
- Amount of CSR spent for creation or acquisition of capital asset : N.A.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A.
- 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.

Sd/-

SHYAM DATT NAILWAL

CHAIRMAN, CSR COMMITTEE
(DIN: 00008529)

Sd/-

ALOK GAUR

JOINT MANAGING DIRECTOR & CEO
(DIN: 00112520)

Place: New Delhi

Date: May 12, 2025

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 2024-25, 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 2024-25.

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
Kanpur Fertilizers & Chemicals Limited

Sd/-
MANOJ GAUR
CHAIRMAN
(DIN: 00008480)

Place : New Delhi
Date : May 12, 2025

ANNEXURE – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

[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.)

I, 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 March 31, 2025 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 March 31, 2025 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 Requirements) 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 have been 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 the 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 which 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 Members of the Company at the Annual General Meeting held on June 10, 2024 have approved the appointment of Dr. Pramod Kumar Agrawal as an Independent Director of the Company for a term of 5 consecutive years w.e.f. April 27, 2024 to April 26, 2029, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors.
- (ii) The Company has made dis-investment in the Equity Shares of Bharat Digital Education Private Limited ("BDEPL") {Erstwhile known as Quality Health and Education Private Limited ("QHEPL")} by transferring its entire Shareholding i.e. 5,00,000 Equity Shares held in BDEPL to the other Shareholder viz. JIL Information Technology Limited ("JILIT") and as a result, BDEPL has ceased to be an Associate Company of the Company w.e.f. May 13, 2024.

- (iii) Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Maj. Gen. Vinod Kumar, SM, VSM (Veteran) as an Additional Director on the Board of the Company w.e.f. July 29, 2024 and recommended to the Members his appointment as a Whole-time Director for a term of 3 years w.e.f. August 1, 2024 to July 31, 2027. He has, consequently, become the KMP of the Company w.e.f. August 1, 2024. Pursuant to Section 2(n) of the Factories Act, 1948, Maj. Gen. Vinod Kumar, SM, VSM (Veteran) has also been appointed as the Occupier of the Company's Fertilizer Plant located at "CEE Kay Estate", Udyog Vihar, Panki Industrial Area, Kanpur - 208022 (Uttar Pradesh), effective from July 29, 2024.
- (iv) Pursuant to Section 128 of the Act, the Company, in the Board Meeting held on October 26, 2024, has obtained approval from the Board to keep the books of accounts and other relevant books and papers at a location other than the Registered Office, i.e. at the Company's Plant located at 'CEE KAY Estate', Udyog Nagar, Panki Industrial Area, Kanpur - 208022, Uttar Pradesh.
- (v) The Company has made further investment in Resurgent India Food & Fuel Service Private Limited ("RIFFSPL"), its Associate Company, by acquiring 14.25% equity shares from the Individual Shareholders, thereby, increasing its Shareholding to 49.72% as on March 31, 2025.
- (vi) The Company faced serious operational challenges due to disconnection of Gas and Power supply by GAIL and KESCO respectively, on the pretext of outstanding dues and accordingly, urea production was suspended and operations at the Plant were affected during the last quarter which resulted in financial loss to the Company. However, after relentless efforts by the Management and Company's senior officials, Gas and Power supply was resumed. However, it was decided to suspend production of Urea w.e.f. April 1, 2025 due to non-availability of energy norms which were valid upto March 31, 2025 and no clarity on revision of fixed cost.
- (vii) During the year, following changes took place in the composition of Board of Directors and Key Managerial Personnel of the Company: -

S. No.	Name of the Director	DIN	Designation	Appointment/Cessation	Date of Appointment/Cessation/Date of Change
1.	Dr. Pramod Kumar Agrawal	08311041	Independent Director	Appointment	Appointed w.e.f. April 27, 2024 (Tenure as Independent Director- From April 27, 2024 to April 26, 2029) & Regularized in the AGM held on June 10, 2024.
2.	Maj. Gen. Vinod Kumar, SM, VSM (Veteran)	10519650	Additional Director	Appointment	July 29, 2024
3.	Maj. Gen. Vinod Kumar, SM, VSM (Veteran)	10519650	Whole-time Director (Consequently KMP)	Appointment	August 1, 2024 to July 31, 2027
4.	Shri Anil Mohan	08733802	Director	Cessation due to Resignation	July 29, 2024

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**

Sd/-
**Anjali Yadav
Proprietor**

FCS No.: 6628

C P No.:7257

UDIN:F006628G000471741

PR Unique Code: S2006DE715800

PR Certificate No.: 6384/2025

Place: New Delhi

Date: 12.05.2025

KANPUR FERTILIZERS & CHEMICALS LIMITED

**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.

Annexure - A

4. Whereever 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**

**Sd/-
Anjali Yadav
Proprietor
FCS No.: 6628
C P No.:7257**

**Place: New Delhi
Date: 12.05.2025**

**UDIN:F006628G000471741
PR Unique Code: S2006DE715800
PR Certificate No.: 6384/2025**

ANNEXURE - IV
(A) CONSERVATION OF ENERGY (DURING FINANCIAL YEAR 2024-25)
(i) Steps taken or impact on conservation of energy

S. No.	Steps	Investment (Rs. in Lakhs)
	None	

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

S. No.	Steps	Investment (Rs. in Lakhs)
	None	

(iii) Capital investment on energy conservation equipments:

None

(B) TECHNOLOGY ABSORPTION (DURING FINANCIAL YEAR 2024-25)

(i)	Efforts made towards technology absorption;	Nano Urea manufacturing project commissioned
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
(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 (Agroinnovation R & D)	Rs. 1.93 Crores

(C) DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No.	Particulars	FY 2024-25 (Rs. in lakhs)	FY 2023-24 (Rs. in lakhs)
a)	Earnings	NIL	NIL
b)	Outgo	8.72	134.49

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

Place : New Delhi
Date : May 12, 2025

**Sd/-
MANOJ GAUR
CHAIRMAN
(DIN: 00008480)**

ANNEXURE - V

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

A) Name of top ten employees in terms of remuneration drawn during the Financial Year 2024-25

Sl. No.	Name	Designation	Remuneration (Amount in Rs.)	Qualifications	Experience (Years)	Date of commencement of Employment in the Company	Age (Years) as on 01.04.25	Last Employment	Equity Shares held in the Company
1	ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	19,579,350.00	B.E. (ELECT.)-1983	42.11	01.02.2021	62.05	JAYPEE CEMENT CORPORATION LIMITED	0
2	DR. DIWAKAR DADOO*	SENIOR JOINT PRESIDENT	5,168,606.00	PH.D-2016,M.B.A-2008 & C.A.-1994	27.05	05.10.2023	55.07	WORLDNEST.IN	0
3	SURENDRA KUMAR PRASAD GUPTA*	JOINT PRESIDENT	4,489,200.00	M.M.S.-1987 & B.A.-1983	38	01.12.2023	63.09	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	0
4	PRATEEK OM	JOINT PRESIDENT	4,421,759.00	B.E. (ELECT.& ELECTRONICS)-1985	31.07	10.07.2020	60.09	JAIPRAKASH POWER VENTURES LIMITED	0
5	ASHOK BANSAL*	SENIOR JOINT PRESIDENT	4,335,617.00	B.E. (CHEMICAL)- 986	38.04	20.11.2023	61.06	HINDUSTAN URVARAK & RASAYAN LIMITED	0
6	DR. ARVIND KUMAR GUPTA*	PRESIDENT	3,892,731.00	M.SC.-1987 & PH.D.-2003	35.05	18.04.2023	63.01	DRDE (DRDO)	0
7	MAJ. GEN. VINOD KUMAR, SM, VSM (VETERAN)	WHOLE-TIME DIRECTOR	3,823,669.00	M.PHIL-2013 & M.SC.-1993	44.09	01.08.2024	65.09	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	0
8	RAMESH CHAND SHARMA	JOINT PRESIDENT & CFO	3,798,632.00	B.COM. - 1985 & A.C.M.A. -1990	39.06	01.04.2023	60.02	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	7000**
9	RAJEEV GUPTA	SENIOR VICE PRESIDENT	3,716,147.00	B.E. -1991 & M.B.A. (MARKETING)-1994	30.08	01.10.2019	56.05	JAYPEE FERTILIZERS & INDUSTRIES LIMITED	0
10	SHASHANK JAIN	VICE PRESIDENT	3,478,158.00	B.E. (ELECTRONICS)-1995	30.03	01.11.2015	55.02	JAIPRAKASH ASSOCIATES LIMITED (CEMENT)	0

*Resigned on or after March 31, 2025

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

B) Name of the employees working throughout the Financial Year 2024-25 and in receipt of remuneration not less than Rs.1,02,00,000/- per annum and working for part of the Financial Year 2024-25 and in receipt of remuneration not less than Rs. 8,50,000/- per month.

S. No.	Name	Designation	Remuneration (Amount in Rs.)	Qualifications	Experience (Years)	Date of commencement of Employment in the Company	Age (Years) as on 01.04.25	Last Employment	Equity Shares held in the Company
1	ALOK GAUR	JOINT MANAGING DIRECTOR & CEO	19,579,350.00	B.E. (ELECT.)-1983	42.11	01.02.2021	62.05	JAYPEE CEMENT CORPORATION LIMITED	0

NOTES:

- 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.
- Information about qualifications and last employment is based on particulars furnished by the concerned employee.
- The Whole-time Director(s) neither by himself nor along with his spouse and dependent children holds two percent or more of the Equity Shares of the Company.
- The nature of employment of employees is regular and is governed as per service rules of the Company. They perform

such managerial duties in their respective area of expertise as assigned from time to time.

- The other terms & conditions of each of the above persons are as per the contract/letter of appointment/resolution and rules of the Company.

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

Sd/-
MANOJ GAUR
CHAIRMAN
(DIN: 00008480)
Place: New Delhi
Date: May 12, 2025

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, 2025, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2025, 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, 2025 and its loss, 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	<p>Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy</p> <p>i. During the FY 2024-25, company recognized the total subsidy of Rs. 2035.06 crores on sale of Urea, Natural Gas and Freight. Accuracy of revenue may deviate significantly because revision in the notified rates and change in final estimates w.r.t escalation/de-escalation of cost.</p> <p>ii. During the FY 2024-25, the company received Rs.2298.75 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.</p>	<p>Our procedures included the following:</p> <p>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.</p> <p>ii. Reviewed the Company's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 3 Statement of Material Accounting policies" in conformity with the provision of Ind AS on Government Grants.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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 statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Emphasis of Matters

We draw to your attention to Note No. 39(2) of the financial

statement, operation of the Plant at Kanpur has been suspended w.e.f 01.04.2025 due to non-availability of Energy norms which were valid upto 31st March,2025 and no clarity on revision of fixed cost. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis

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

Report on Other Legal and Regulatory Requirements

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

- 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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(1) 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 software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
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- 12/05/2025
Place- NEW DELHI
UDIN – 25527922BMLDVF1728

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, 2025 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Manoj Kumar Vats)
Partner
M.NO. 527922
Date- 12/05/2025
Place- NEW DELHI
UDIN – 25527922BMLDVF1728

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 2025.

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

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Intangible Assets.
- (b) A substantial portion of the Property, Plant and Equipment have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable Properties are deemed held in the name of company in terms of Para 4 and Para 5, Para II of Annexure A of approved Scheme of BIFR.

Description of property	Gross carrying value (Rs. In Lakhs)	Asset held in name of	Whether held in name of promoter, director or their relative or employee	Period during which it was not held in name of the Company	Reason for not being held in name of company
Land – 56 cantonment, Kanpur 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 - Cee Kay Estate UdyogVihar 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 ₹ 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 2024-25 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, 2025 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, 2025 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount of Demand (Rs. in Lakhs)	FY	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.91	2022-23	Assessing Officer
Income Tax Act, 1961	Income Tax	1.04	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	201.30	2017-18	## State Bench of Goods and Service Tax Appellate Tribunal

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 incurred cash loss of Rs. 10,477.46/- (in Lakhs) during the current year but not 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 provision 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- 12/05/2025
Place- NEW DELHI
UDIN – 25527922BMLDVF1728

KANPUR FERTILIZERS & CHEMICALS LIMITED

STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2025

CIN : U24233UP2010PLC040828

(Rs. in Lakhs)

Particulars	Note No	As on 31st March, 2025	As on 31st March, 2024
Assets			
Non Current Assets			
Property, Plant and Equipment	4	53,355	62,027
Capital Work in Progress	4.1	6,517	641
Financial Assets			
Investments	5	2,862	4,741
Other Financial Assets	6	2,404	1,974
Deferred Tax Assets (Net)	7	2,932	-
Other Non Current Assets	8	133	3,274
Sub Total Non Current Assets		68,203	72,657
Current Assets			
Inventories	9	7,565	10,526
Financial Assets			
Investments	10	-	1,047
Trade Receivable	11	6,664	28,809
Cash and Cash Equivalents	12	3,814	6,682
Bank Balance other than above	13	24,070	14,912
Other Financial Assets	14	25,046	22,346
Other Current Assets	15	8,641	9,055
Sub Total Current Assets		75,800	93,376
Grand Total Assets		144,003	166,033
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	35,246	35,246
Other Equity	17	37,648	48,002
Sub Total Equity		72,894	83,248
Non Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Other Financial Liabilities	18	1,767	1,662
Provisions	19	391	342
Deferred Tax Liabilities (Net)	7	-	2,038
Sub Total Non Current Liabilities		2,158	4,042
Current Liabilities			
Financial Liabilities			
Borrowings			
Trade payables	20		
Total outstanding dues of other than MSME		48,305	69,940
Total outstanding dues of MSME		392	373
Other Financial Liabilities	21	18,980	6,708
Other Current Liabilities	22	1,197	857
Provisions	23	77	77
Current Tax Liabilities(Net)	24	-	787
Sub Total Current Liabilities		68,951	78,743
Grand Total Equity and Liabilities		144,003	166,033

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 : 12.05.2025

(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, 2025

(Rs. in Lakhs)

Particulars	Note No	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
Revenue From Operations	25	256,009	294,885
Other Income	26	6,634	2,155
Total Income		262,643	297,040
Expenses			
Cost of Materials Consumed	27	188,891	211,276
Purchases of Stock-in-Trade	28	2,063	4,939
Changes in Inventories of Finished Goods & Work-in-Progress	29	2,515	310
Employee Benefits Expense	30	6,188	5,903
Finance costs	31	5,604	2,480
Depreciation and amortization Expense	32	4,688	7,320
Other expenses	33	67,860	61,266
Total Expenses		277,809	293,492
Profit Before Exceptional Items and Tax		(15,165)	3,548
Exceptional Items [Net]	34	-	-
Profit before share of Profit/ Loss of Associate Co. and Tax		(15,165)	3,548
Tax Expense:			
(1) Current Tax		-	787
(2) Tax Paid for A.Y. 2024-25		30	19
(3) Excess MAT credit booked in earlier year, now reversed		-	55
(4) Mat Credit		-	2,517
(5) Deferred Tax		(4,924)	(1,183)
Total Tax Expenses		(4,894)	2,196
Profit/(Loss) for the Period		(10,271)	1,353
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss		-	-
A. (i) Re-measurement gains/ (losses) on defined benefit plans (net)		(3)	23
(ii) Income Tax		1	(8)
B. (i) Re-measurement gains/ (losses) on Investments (net)		(126)	195
(ii) Income Tax		44	(68)
Total Other Comprehensive Income		(84)	142
Total Comprehensive Income for the Period		(10,355)	1,494
Paid Up Equity Share Capital (Rs. in Cr.)		352	352
Face Value per share		10	10
Earnings per Equity Share			
(1) Basic (Rs.)		(2.94)	0.42
(2) Diluted (Rs.)		(2.94)	0.42

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 : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

KANPUR FERTILIZERS & CHEMICALS LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

	2024-25	2023-24
A Cash Flows From Operating Activities		
Profit For the Year	(15,165)	3,548
Adjustments For:	-	-
- Depreciation	4,688	7,320
- Interest and Finance Charges	5,604	2,480
- Sundry creditors written off	(89)	(536)
- Profit on sale of fixed assets	(4,319)	(79)
- Interest Income on Fixed Deposits	(2,201)	(1,420)
- Other adjustments	150	161
Operating Profit Before Working Capital Changes	(11,333)	11,473
Adjustments for :	-	-
- (Increase) / Decrease in Inventories	2,961	(78)
- (Increase) / Decrease in Trade Receivables	22,121	13,752
- (Increase) / Decrease in Other Financial Assets	(2,523)	(4,451)
- (Increase) / Decrease in Other Current Assets	265	(3,806)
- Increase / (Decrease) in Trade Payables	(21,503)	(202)
- Increase / (Decrease) in Other Current Liabilities	339	(1,945)
- Increase / (Decrease) in Other Financial Liabilities and Provision	12,297	(2,728)
- Change in Other Assets	585	10
Cash Generated From Operations	3,209	12,026
- Income Tax Refund/ (Paid)	(817)	(534)
Net Cash Flow Generated From Operating Activities	2,391	11,492
B Cash Flow From Investing Activities		
- Additions to PPE and Intangible Assets	(9,643)	(8,651)
- Proceeds From Sale/ Disposal of Property, Plant and Equipment	14,625	1,388
- Interest Received	2,148	1,341
- Investment in Fixed Deposit	(9,711)	(3,665)
- Investment in Equity Instruments	2,514	(5,376)
- Investment in Gold Bonds	412	(412)
Net Cash Flows (Used in) Investing Activities	345	(15,375)
C Cash Flow From Financing Activities		
- Proceeds/(Repayments) of Share Capital	-	-
- Proceeds/(Repayments) of Long Term Borrowings	-	-
- (Repayments of) / Proceeds from Short Term Borrowings (Net)	-	-
- Interest and Finance Charges Paid	(5,604)	(2,480)
Net Cash Flows (Used in)/ Generated From Financing Activities	(5,604)	(2,480)
Net Change in Cash and Cash Equivalents (A+B+C)	(2,867)	(6,363)
Cash and Cash Equivalents- Opening Balance	6,682	13,045
Cash and Cash Equivalents- Closing Balance	3,814	6,682
Notes To Cash Flow Statement:	-	-
Cash and Cash Equivalents Include :	-	-
Cash in Hand	5	2
Balances with Banks	3,809	6,680
Cash and Cash Equivalents at the end of the Year [Refer Note No 12]	3,814	6,682

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 : 12.05.2025

(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, 2025

Equity

Particulars

a. Equity share capital

(Rs. in Lakhs)

Balance as at 31st March, 2024

35,246

Equity Share issued during the period

-

Balance as at 31st March, 2025

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, 2024	-	42,383	5,277	343	48,002
Profit For the Year	-	-	(10,271)	-	(10,271)
Remeasurement of Defined Benefit Liability (Net of Tax)	-	-	-	(84)	(84)
Changes During The Year	-	-	-	-	-
Balance as at 31st March, 2025	-	42,383	(4,994)	259	37,648

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 : 12.05.2025

(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, 2025

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 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" Material Accounting Policies

A. Basis of preparation of financial statements-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 read with IND Accounting Standards amended from time to time applicable to companies to whom IND AS applies's.

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

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

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

B. Use of estimates and judgments

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 pursuant to Demerger Scheme dated 16.01.2012 of Hon'ble

BIFR has been 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 realizable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing them to their present location & condition.

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

Net 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 upto March 31, 2025; and
- iii. Uniform Freight Policy

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

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

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

ii). Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii). Insurance Claims

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

e. Foreign Currency Transaction

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

At the end of each reporting period-

- i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

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

f. Retirement and other employee benefits

i). Retirement benefit costs

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

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

Defined benefit costs are categorized as follows:

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

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

accounted for as past service costs.

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

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

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

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

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

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

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

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

g. Borrowing cost

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

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

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

h. Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification

of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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

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

Company as a lessor

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified IndAS 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.

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "4" – Property Plant & Equipment

(Rs. in Lakhs)

Particulars	Lease Hold Land	Free 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, 2024	24,344	-	17,102	88,842	1,102	407	19	194	22	124	423	462	133,042
Additions		3,160	1,077	1,305	147	76	-	22	1			340	6,128
Disposals/Discard			10,091	-			1					314	10,406
As at 31st March, 2025	24,344	3,160	8,087	90,147	1,249	483	19	216	23	124	423	486	128,761
Accumulated Depreciation													
As at 31st March, 2024	-	-	3,072	66,131	716	337	11	155	14	89	278	211	71,015
Charge for the year			354	4,073	123	23	0	15	2	6	28	65	4,689
Disposals/Discard			271	-			1					23	295
As at 31st March 2025	-		3,155	70,204	839	360	10	171	16	95	306	253	75,408
Net Block (As at 31st March, 2024)	24,344	-	14,029	22,711	386	70	9	39	9	34	146	252	62,027
Net Block (As at 31st March, 2025)	24,344	3,160	4,932	19,943	410	123	9	45	7	29	117	235	53,355

NOTE 4.1 Capital Work-in-Progress

(a) CWIP Ageing Schedule as on 31.03.2025

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Nano Urea Project	6,517	-	-	-	6,517
Total	6,517	-	-	-	6,517

(b) CWIP Ageing Schedule as on 31.03.2024

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
NG Boiler/R&D Lab	641	-	-	-	641
Total	641	-	-	-	641

NOTE No. "5"

Investments	As on 31st March, 2025		As on 31st March, 2024	
a. Investments in Equity Instruments	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Investment in equity shares of Associate Company (at cost) Unquoted, Fully Paidup of Rs. 10/- each				
Resurgent India Food & Fuel Private Limited	3,380,825	362	2,411,500	241
Bharat Digital Education Private Limited (Formerly known as Quality Health & Education Private Limited)	-	-	5,000,000	500
Total		362		741
b. Investment in 9% Secured Non Convertible Debentures Unquoted Fully Paidup	No. of Debentures	Rs. In Lakhs	No. of Debentures	Rs. In Lakhs
Himalayaputra Aviation Limited	1,000	1,000	1,000	1,000
JIL-IT	1,500	1,500	3,000	3,000
Total		2,500		4,000
Grand Total		2,862		4,741

NOTE No. "6"

Other Financial Assets

Term Deposit Account with Maturity of more than 12 Months pledged as margin with banks against LC/BG

Security Deposit

Other Receivables

Total

As on 31st March, 2025 As on 31st March, 2024

566 13

1,616 1,616

222 346

2,404 1,974

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

	As on 31st March, 2025	As on 31st March, 2024
NOTE No. "7"		
Deferred Tax Assets		
Provision for Leave encashment ,Gratuity & Bonus	164	147
Unabsorbed Depreciation & Business Losses	4,671	
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	(1,903)	(2,185)
Net Deferred Tax Assets/Liability	2,932	(2,038)
MAT Credit Entitlement	-	-
Total	2,932	(2,038)

Movement in deferred tax balances

31st March, 2025

Particulars	Net Balance April 1, 2024	Recognised in P&L	Recognised in OCI	Net Balance March 31, 2025
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(2,185)	282	-	(1,903)
Provision for Leave encashment ,Gratuity & Bonus	147	16	1	164
Unabsorbed Depreciation & Business Losses	-	4,671	-	4,671
Net Deferred Tax Assets/(Liabilities)	(2,038)	4,969	1	2,932

31st March, 2024

Particulars	Net Balance April 1, 2023	Recognised in P&L	Recognised in OCI	Net Balance March 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	129	25	(8)	147
Unabsorbed Depreciation & Business Losses	-	-	-	-
Net Deferred Tax Assets/(Liabilities)	(3,145)	1,115	(8)	(2,038)

	Rs. in Lakhs)			Rs. in Lakhs)	
	As on 31st March, 2025	As on 31st March, 2024		As on 31st March, 2025	As on 31st March, 2024
NOTE No. "8"			NOTE No. "9"		
Other Non-Current Assets			Inventories		
Prepaid Expenses	2	3	Raw Materials-Urea	254	747
			Raw Materials-Nano Urea	47	-
Tax Assets (Net)			Work in Progress	1,316	1,836
Advance Tax	130	715	Finished Goods	1,509	317
			Finished Goods In Transit	-	3,188
Capital Advance			Stores & Spares	4,127	3,836
Advance for Land & Building		2,556	Stores & Spares in Transit	-	47
Total	133	3,274	Catalyst	312	556
			Total	7,565	10,526

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "10"

Investments

(Rs. in Lakhs)

a. Investments in Equity Shares Quoted Fully Paidup	As on 31st March, 2025		As on 31st March, 2024	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Apollo Hospitals Enterprise Limited	-	-	400	25
Axis Bank Limited	-	-	1,000	10
Bharat Dynamics Limited	-	-	1,000	18
Bharat Electronics Limited	-	-	2,000	4
BEML Limited	-	-	1,000	32
Dalmia Bharat Limited	-	-	1,000	19
Data Patterns (India) Limited	-	-	300	7
Devyani International Limited	-	-	9,000	14
HDFC Bank Limited	-	-	800	12
ICICI Bank Limited	-	-	3,500	38
Indian Railway Catering and Tourism Corporation Limited	-	-	1,500	14
ITC Limited	-	-	5,500	24
Larsen and Toubro Limited	-	-	3,000	113
Paras Defence and Space Technologies Limited	-	-	700	4
Reliance Industries Limited	-	-	3,680	109
JIO Financial Services Limited	-	-	6,880	24
SBI Life Insurance Company Limited	-	-	1,000	15
TATA Communications Limited	-	-	1,000	20
Tata Consultancy Services Limited	-	-	300	12
Tejas Networks Limited	-	-	1,500	10
Tata Teleservices (Maharashtra) Limited	-	-	10,000	7
Ultratech Cement Limited	-	-	1,000	97
Vedanta Limited	-	-	2,000	5
Total		-		635
b. Other Investment	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Gold Bonds Quoted				
Government of India SGB 19MY 28S II 2.50 FV Rs. 4590	-	-	2,000	129
Nippon India Mutual Fund ETF Gold BeES	-	-	500,000	283
Total		-		412
Grand Total		-		1,047

NOTE No. "11"

Trade Receivables

Others (Unsecured, Considered Good)
Less : Provision for Bad & Doubtful Debts
Total

As on 31st March, 2025	As on 31st March, 2024
7,227	29,371
563	563
6,664	28,809

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Ageing analysis of trade receivables As on 31.03.2025

(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	6,599	-	-	-	-	-
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	6,599
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	6,599	-	-	-	65	6,664

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

NOTE No. "12"

Cash and Cash Equivalents

	As on 31st March, 2025	As on 31st March, 2024
Balance with Banks	3,799	792
Term Deposit Account with Maturity of Less Than Three Months	-	612
Term Deposit Account with Maturity of Less Than Three Months pledged as margin with banks against LC/BGs	10	5,276
Cash in Hand	5	2
Total	3,814	6,682

NOTE No. "13"

Other Bank Balances

Deposits with Maturity for more than 3 months but Less than 12 months	290.62	9,937
Deposits with Maturity for more than 3 months but Less than 12 months pledged as margin with banks against LC/BGs	23,779	4,974
Total	24,070	14,912

NOTE No. "14"

Other Financial Assets

	As on 31st March, 2025	As on 31st March, 2024
Accrued Interest Receivable	231	178
Other Receivables	627	76
Related Party	24,188	22,092
Total	25,046	22,346

NOTE No. "15"

Other Current Assets

Prepaid Expenses	133	119
Advances to Vendors	373	1,335
GST Refund Receivable	277	403
GST/VAT Receivable	7,323	6,084
Investment in Gold Bars	-	274
TDS & Advance Taxes	534	840
Total	8,641	9,055

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

NOTE No. "16"	As on 31st March, 2025	As on 31st March, 2024
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, 2025 (No of Shares)	% of Shares	As on 31st March, 2024 (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, 2025			As on 31st March, 2024		
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	-	-	-	-	-	-
Closing Balance	200,050,000	56.76%	-	200,050,000	56.76%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	126,982,549	36.03%	-	126,982,549	36.03%	-
Acquired/Converted during the year	-	-	-	-	-	-
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	-	-	-	-	-	-
Closing Balance	25,000,000	7.09%	-	25,000,000	7.09%	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Reconciliation of No. of Shares Outstanding	As on 31st March, 2025 (No of Shares)	As on 31st March, 2024 (No of Shares)
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	352,457,225	352,457,225
Equity Shares Issued During the Year	-	-
Outstanding at the End of the Year	352,457,225	352,457,225

Equity Shares

The Company has Equity 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 nominee, Jaypee Fertilizers & Industries Limited (36.03%), Mahabhadra Constructions Limited (7.09%) and Others (0.12%).

The dividend, if declared will be paid by the Company in Indian Rupees. The dividend, if any, 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.

(Rs. in Lakhs)

NOTE No. "17" Other Equity	As on 31st March, 2025	As on 31st March, 2024
(i) Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	5,277	3,925
Profit / (Loss) for the year	(10,271)	1,353
Closing Balance	(4,994)	5,277
(b) Security Premium Reserve		
Opening Balance	42,383	42,383
Addition during the Year		
Closing Balance	42,383	42,383
Total Reserve & Surplus	37,389	47,660
ii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	343	201
Addition/Deduction during the Year	(84)	142
Closing Balance	259	343
Total Other Equity	37,648	48,002

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "18"	(Rs. in Lakhs)	
	As on 31st March, 2025	As on 31st March, 2024
Other Financial Liabilities		
Security and Other Deposits	1,767	1,662
	1,767	1,662

NOTE No. "19"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	237	195
Leave Encashment	154	148
	391	342

NOTE No. "20"		
Trade Payables		
Others	48,305	69,940
Micro Small Medium Enterprises	392	373
	48,697	70,313

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

a) Principal amount	392	373
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 30th June, 2023	Nil	Nil
f) The amount of interest remaining due and payable even in the succeeding years, until such date when the the interest is actually paid	Nil	Nil

Ageing analysis of trade payable As on 31.03.2025 (Rs. in Lakhs)

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	392	-	-	-	392
b) Others	48,260	22	2	20	48,305
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	48,652	22	2	20	48,697

* MSME Dues are less than 45 days

Ageing analysis of trade payable As on 31.03.2024

Particulars	Less Than 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)	Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "21"			Other Operating Revenue		
Other Financial Liabilities			Sale -Traded Product	2,362	5,866
Payable on Account of Employees	577	529	Ammonia Sale	336	1,274
Security and Other Deposits	88	142		2,698	7,139
Amount Payable to Related Parties	14	69	Total	256,009	294,885
Other Payable	18,301	5,968			
Total	18,980	6,708	NOTE No. "26"		
NOTE No. "22"			Other Income		
Other Current Liabilities			Interest Income	2,201	1,420
Statutory Taxes and Dues	470	437	Insurance Claim Received	1	47
Advance Received from Customers	727	420	Misc Receipts	113	609
Total	1,197	857	Profit/(Loss) on Sale/Discarding of Fixed Assets	4,319	79
NOTE No. "23"			Total	6,634	2,155
Provisions			NOTE No. "27"		
Gratuity	21	32	Cost of material Consumed		
Leave Encashment	56	45	Raw Materials Consumed-Urea	181,963	201,877
Total	77	77	Coal Consumed	4,122	6,398
NOTE No. "24"			Bags Consumed	2,806	3,001
Current Tax Liability			Total	188,891	211,276
Provision for Income Tax	-	787	NOTE No. "28"		
Total	-	787	Purchases of Stock-in-Trade		
NOTE No. "25"			Wheat seed	1,926	2,497
Revenue from Operation			Calcium Nitrate	-	191
Sale of Products			Zyme	120	1,078
Urea Sale	32,817	35,944	Micro Nutrient	-	444
Govt Subsidy- Urea	203,506	236,690	Sulphur	-	344
GAIL Subsidy- Gas pool	16,870	14,979	Zinc Sulphate	-	28
Sale-Flyash	118	132	City Compost	17	27
	253,311	287,746	Ferrous Sulphate	-	275
			Others	-	54
			Total	2,063	4,939

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "29"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	1,836	1,528
Finished Goods	3,504	4,122
	5,340	5,650
Closing Stock		
Work-in-Progress	1,316	1,836
Finished Goods	1,509	3,504
	2,825	5,340
Total	2,515	310
NOTE No. "30"		
Employee Benefit Expense		
Salaries and Wages	5,902	5,586
Contribution to Provident and Other Funds	206	197
Gratuity	58	97
Staff Welfare	22	23
Total	6,188	5,903
NOTE No. "31"		
Finance Cost		
Interest to Others	5,521	2,480
Financial Charges	83	-
Total	5,604	2,480
NOTE No. "32"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	4,688	7,320
Total	4,688	7,320

Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "33"		
Other expenses		
Repairs & Maintenance - Others	1,512	248
Electricity Charges	40,022	39,561
Store and Spares Consumed	1,649	2,391
Repairs & Maintenance - Plant	1,678	1,818
Directors' Meeting Fee	39	36
Commission to Non-executive Directors	230	263
Insurance	160	231
Rates & Taxes	126	309
Loading & Unloading Charges	1,200	1,227
Travelling & Conveyance Expenses	327	308
Corporate Social Responsibility	491	43
Vehicle Running & Hiring Charges	279	249
Freight & Octroi Expenses	5,426	6,311
Advertising and Sales Promotion	4,987	699
Legal & Professional	6,455	3,488
Bank Charges & LC/BG Commission	25	64
Safety & Security	401	335
Donation & Charity	62	3,000
Horticulture and Gardening	28	49
Auditors Remuneration*	25	28
(*) please refer details below		
Fair value of Financial Liability at amortised cost	126	118
R & D Expenses	2,200	31
Miscellaneous Expenses	412	462
Total	67,860	61,266
NOTE No. "34"		
Exceptional Items (Net)	-	-
(*) Auditors Remuneration		
Particulars	For year ended 31.03.2024	For year ended 31.03.2023
Audit Fees(Including LR Fees#)	8	8
Tax Audit Fees	3	3
Cost Audit Fees	3	3
Internal Audit Fees	8	8
Secretarial Audit Fee	1	1
Management Audit Fees	3	3
Audit Expenses	0	3
Total	25	28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025
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, 2025	March 31, 2024
Current tax expense		
Current year	-	787
MAT Credit	-	2,517
Adjustment for prior periods	30	74
	30	3,379
Deferred tax expense		
Origination and reversal of temporary differences	(4,924)	(1,183)
Reduction in tax rate	-	-
Total income tax expense	(4,894)	2,196

ii) Income tax recognised in other comprehensive income

	(Rs. in Lakhs)		
	March 31, 2025		
	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(3)	1	(2)
- Net gains/(losses) on Investments	(126)	44	(82)
	(129)	45	(84)

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

	(Rs. in Lakhs)	
Particulars	March 31, 2025	March 31, 2024
Accounting Profit/(Loss) before tax expense	(15,165)	3,548
Enacted tax rate	34.944%	34.944%
Taxed at India Statutory Tax Rates	(5,299)	1,240
Tax Effect of:-		
Non-Deductible Expenses	363	1,238
Non-Taxable Incomes	(1,536)	(55)
Expenses disallowed earlier now allowed as per Income Tax Act,1961	(53)	(61)
Impact of Depreciation as per Income Tax Act,1961	417	1,117
Carry Forward of Income Tax Losses for current year	6,109	(3,478)
Current tax of Prior Period	-	-
Deferred Tax Impact	(4,970)	(1,107)
Tax Expenses	(4,970)	(1,107)

iv) The tax rates under Indian Income Tax Act, for Financial Year 2024-25 is 34.944% (Previous year 2023-24 is 34.944%).

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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, 2025	March 31, 2024
Basic earnings per share (Refer footnote a & b)	(2.94)	0.42
Diluted earnings per share	(2.94)	0.42
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	(10,355)	1,494
Profit attributable to equity shareholders	(10,355)	1,494
(b) Weighted average number of equity shares (Nos Rupees)		
Opening balance of issued equity shares	352,457,225	3,525
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares	352,457,225	3,525
(c) Weighted average number of Convertible Preference shares		
Opening balance of issued Preference shares	-	-
Effect of shares Issued during the year, if any	-	-
Balance shares convertible at the end of the Year	-	-
Effect of shares Convertible during the year, if any	-	-
Weighted average number of Convertible	-	-
Weighted average number of equity shares	352,457,225	3,525

NOTE No. "37" Disclosure as per Ind AS 19 'Employee benefits'

(Rs. in Lakhs)

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund to the appropriate authorities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. **An amount of Rs. 2.06 crore (31st March 2024: Rs. 1.97 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 31.03.2025	As at 31.03.2024
Net defined benefit Obligation :		
Gratuity (funded)	30	54
Total	30	54
Total employee benefit obligation		
Non-current	237	195
Current	21	32
Total	258	227

Particulars	As at 31.03.2025	As at 31.03.2024
Movement in net defined benefit obligation for the year		
Present Value of Obligation as at the beginning of Period	226	205
Interest Cost	16	15
Service Cost	42	37
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-29	-54
Total Actuarial (Gains)/Loss on obligation	3	23
Total Service Cost to be recognised in Statement of Profit & Loss A/C	258	226
Included in OCI		
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	-	-
Financial Assumptions	4	2
Experience Adjustment	-1	20
Total Amount Recognised in OCI	3	23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

D. Defined benefit obligations
i. Actuarial assumptions

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

(Rs. in Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Discount rate	7.22%	7.22%
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:

Particulars	31.03.2025		31.03.2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(9)	10	(8)	8
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	10	(9)	9	(8)

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.

c) Mortality & Disability

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

c) 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 2025							
Gratuity	21	39	1,578	17	17	13	135
Total	21	39	1,578	17	17	13	135

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 31.03.2025	As at 31.03.2024
Gratuity	13	13

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(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. 2.11 crore (31st March 2024: Rs. 1.93 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 31.03.2025	For the year ended 31.03.2024
A. Amount required to be spent during the year	61.16	-
B. Amount Actually spent during the year	491.50	42.67
Amount upspent (if any)	-	-

Amount spent during the year ended 31 March 2025: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	491.50	-	491.50
Grand Total	491.50		491.50

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

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2025
1) Jaypee University, Anoopshahr	300.00
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	186.50
3) Vishwakarma Udhogik Prashikshan Kendra Chitta	4.00
4) Dy. Commissioner Industry, Kanpur for distribution of National Flag	1.00
Total	491.50

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2024
1) Sardar Patel Uchchatar	31.00
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	11.00
3) Additional Labour Commissioner, Kanpur for Water Cooler	0.67
Total	42.67

NOTE No. "39"

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

(Rs. in Lakhs)

Particulars	2024-25	2023-24
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt	2	11
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt#.	385	356
Amount deposited under protest.	68	57
c) Legal claims against Civil/Labour Court Cases	1,173	1,175
d) Stamp Duty (U/s 47 of Stamp Act)	-	4,223
e) Outstanding Balances of Bank Guarantees	655	652
Margin Money deposited against the above	717	653
f) Outstanding Standby Letters of Credit	23,000	9,000
Margin Money deposited against the above	23,601	9,566
e) Capital Commitments:		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)##	6,800	-

(#) The Appeals are yet 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.

(##) Pertains to Ray Nano Science & Research Centre for technology transfer of Nano Urea Plant.

2. Operation of Plant has been suspended w.e.f 01.04.2025 due to non-availability of Energy norms which were valid upto 31st March,2025 and no clarity on revision of fixed cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

3. Related Party Disclosure

Name of Related Party and Relationship

a) Holding Company

1. Jaypee Uttar Bharat Vikas Private Limited (JUBVPL),
2. Jaypee Fertilizers & Industries Limited (JFIL),
3. Jaiprakash Associates Limited (JAL) (Undergoing Corporate Insolvency Resolution Process (CIRP) since 03.06.2024 under section 7 of Insolvency and Bankruptcy Code (IBC), 2016 vide order dated 03.06.2024 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, Prayagraj)

b) Fellow Subsidiary Companies

1. Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
2. Himalyan Expressway Limited (wholly owned subsidiary of JAL)
3. Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
4. Jaypee Ganga Infrastructure Corporation Limited (wholly owned subsidiary of JAL)
5. Jaypee Agra Vikas Limited (wholly owned subsidiary of JAL)
6. Jaypee Cement Corporation Limited (JCCL) (wholly owned subsidiary of JAL) (Undergoing Corporate Insolvency Resolution Process (CIRP)) since 22.07.2024 under Section 7 of Insolvency and Bankruptcy Code (IBC), 2016 vide order dated 22.07.2024 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, Prayagraj).
7. Himalyaputra Aviation Limited (wholly owned subsidiary of JAL)
8. Jaypee Assam Cement Limited (wholly owned subsidiary of JAL)
9. Jaypee Infrastructure Development Limited (wholly owned subsidiary of JAL).
10. Jaypee Cement Hockey (India) Limited (wholly owned subsidiary of JAL)
11. Jaiprakash Agri Initiatives Company Limited (wholly owned subsidiary of JCCL)
12. Yamuna Expressway Tolling Limited (wholly owned subsidiary of JAL)
13. East India Energy (P) Ltd. (wholly owned subsidiary of JAL w.e.f. 29.12.2022)
14. Jaypee Infratech Limited (JIL) [Vide Hon'ble NCLT order dated 07.03.2023 the resolution plan for JIL got approved and consequent upon that JIL has cancelled 84,70,00,000 shares held by JAL in JIL on 21.06.2024. Hence, JIL ceased to be a subsidiary of JAL w.e.f. 21.06.2024. However, pending corporate action by JIL, the shareholding of JAL in JIL is showing in the demat statement of JAL as on 31.03.2025]
15. Jaypee Healthcare Limited (an erstwhile wholly owned subsidiary of JIL) Entire 42,75,00,000 Equity Shares (including beneficial interest for 600 shares) were 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 there 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 March 15, 2023 to the Stock Exchanges informing therein that, JIL's shareholding in the Company has reduced to 36.35%

w.e.f 10.03.2023 and accordingly Jaypee Healthcare had become an Associate Company as against wholly owned subsidiary of JIL. Hence, JHL became an associate company of JAL instead of its subsidiary w.e.f. 10.03.2023.

Following the approval of the resolution plan by the Hon'ble NCLT on 07.03.2023, JIL proceeded to cancel 84,70,00,000 shares of JAL on 21.06.2024. However, due to pending corporate actions by JIL, the shareholding of JAL in JIL continues to be reflected in JAL's demat statement as of 31.03.2025. It is crucial to note that JIL is no longer a subsidiary of JAL. Consequently, JHL, which was previously a subsidiary of JIL and then an associate, has ceased to be an associate of JAL w.e.f. 21.06.2024.)

c) Associate Companies:

1. Resurgent India Food & Fuel Service Private Limited (became Associate Company w.e.f. 25.08.2023)
2. Jaypee Infra Ventures Private Limited (Holding Company of JILIT & Associate Company of JAL)
3. JIL Information Technology Limited (JILIT) (Subsidiary of JIVPL)
4. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
5. Manukabir Enterprises Private Limited (incorporated as wholly owned subsidiary of JILIT on 11.02.2025)
6. Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) (ceased to be an Associate Company of the Company and became wholly owned subsidiary of JILIT w.e.f. 13.05.2024)
7. Mahabhadra Constructions Limited (MCL) (wholly owned subsidiary of Jaypee Infra Ventures Private Limited (JIVPL))
8. Jaypee Hotels Limited (JHL) (a public company in which Directors of JAL are interested & hold more than 2% shares.)
9. Jaiprakash Power Ventures Limited (JPVL) (Associate Company of JAL)

d) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri Alok Gaur – Joint Managing Director & CEO (will cease to be a Whole-time Director and continue as Non-executive Director w.e.f. 16.05.2025)
3. Ms.Sunita Joshi – Non Executive Director
4. Shri S.D. Nailwal – Non Executive Director
5. Shri Ajit Kumar – Non Executive Director
6. Shri Anil Mohan – Non Executive Director (Resigned w.e.f. 29.07.2024)
7. Shri K.V. Rajendran – Independent Director
8. Shri Devinder Singh Ahuja – Non Executive Director (Resigned w.e.f. 12.05.2025)
9. Shri Narinder Kumar Grover – Independent Director (Resigned w.e.f. 12.05.2025)
10. Dr.Pramod Kumar Agrawal- Independent Director
11. Maj. Gen. Vinod Kumar (Veteran)-Whole-Time-Director (Appointed as Additional Director w.e.f 29.07.2024 and w.e.f. Whole-Time Director 01.08.2024)
12. Shri Vinod Sharma – Non-Executive Director
13. Ms.Ritu Gupta- Company Secretary
14. Shri R.C. Sharma– Chief Financial Officer

e) Relative of Director and KMP of Holding / Associate Company (with whom the Company was having transaction during FY 2024-25)

1. Smt Urvashi Gaur , Wife of Shri Manoj Gaur
2. Shri Pankaj Gaur, Managing Director of JAL
3. Shri Suren Jain, Director of JUBVPL

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Note No. "39" Related Party Disclosure

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

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	Transcation During the year		Payment	Outstanding Balance as at	
			FY 2024-25	FY 2023-24	FY 2024-25	31st March, 2025	31st March, 2024
Jaypee Fertilizers & Industries Limited	Holding Company	Reimbursement Towards Expenses	-	-	18	1,533	1,515
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimbursement Towards Expenses	-	-	2	2	1
Jaiprakash Associates Limited	Holding Company	Hotel Services	0	4	720	15,066	18,436
		Flat Maintenance Charges	4	-			
		Rent Received Flats	7	-			
		Rent Paid	6	-			
		Flat & land Purchased	1,960	2,360			
		Purchase of Service	616	2,414			
Jaypee Power Ventures Ltd	Fellow Subsidiary Company	Flat Sale	975	-	-	-	-
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Interest Received on NCD	90	-	-	-	-
		Helicopter & Aeroplane hire Charges	127	121	146	-13	-12
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	336	313	1,891	1,035	-30
		Flat Sale	1,015	-			
		Purchase of Service	375	-			
JIL Information Technology Ltd.	Associate Company	Manpower Supply	313	151	6,257	5,357	1,640
		Assets Purchased	204	314			
		Flat Purchased	745	2,950			
		Flat Sale	1,550	-			
		Interest Received on NCD	25	-			
		Purchase of Various Goods	2,704	59			
Resurgent India Food & Fuel Service	Associate Company	Purchase of Service	100	400	110	0	-
Jaypee Infra Venture Pvt Ltd	Associate Company	Purchase of Service	1,800	225	1,645	-	-27
Jaypee Cement Corporation Ltd.	Associate Company	Purchase of AC Sheets	2	-	340	638	300
Gaur & Nagi Limited	Associate Company	Flat Sale	200	-	-	-	-
		Market Research of new Products	3,008	19	3,077	-1	199
Bhillai Jaypee Cement	Associate Company	Purchase of Machinery/ Assets	177	-	733	557	-
Total						24,174	22,023

Note : In above transacions details includes provisional expenses of JIL-IT Rs. 1730.53 Lakhs

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Note No. "39" Related Party Disclosure Cont.....

Receivable / Debit Balance of Related party as at 31st March, 2025	(Rs. in Lakhs)
Jaypee Fertilizers & Industries Limited	1,533
JIL Information Technology Ltd.	5,357
Jaypee Uttar Bharat Vikas Private Limited	2
Resurgent India Food & Fuel Service (P) Ltd.	0
Jaypee Infra Venture Pvt Ltd	-
Mahabhadra Constructions Ltd	1,035
BHILAI JAYPEE CEMENT LTD	557
Jaiprakash Associates Limited	15,066
Jaypee Cement Corporation Ltd.	638
Total	24,188

Payable / Credit Balance of Related party as at 31st March, 2025	(Rs. in Lakhs)
Himalayaputra Aviation Limited	(13)
Gaur & Nagi Limited	(1)
Total	-14

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	Transaction During the year		Outstanding Balance as at	
			FY 2024-25	FY 2023-24	31st March, 2025	31st March, 2024
Manoj Gaur	Non Executive Chairman	Commission	190	201	-	-
Alok Gaur	WTD & CEO	Short term employee benefit	-	-	-19	-3
		Salary	169	163	-	-
		Arrear of Salary	-	53	-	-
		Managerial Remuneration	15	-	-	-
S D Nailwal	Non Executive Director	Commission	13	20	-	-
Sunita Joshi	Non Executive Director	Commission	8	10	-	-
S C K Patne	Independent Director	Commission	-	10	-	-
Anil Mohan	Non Executive Director	Commission	3	5	-	-
K V Rajendran	Independent Director	Commission	3	5	-	-
Ajit Kumar	Director	Advisory Fees	27	27	-2	-2
		Commission	3	3	-	-
Devinder Singh Ahuja	Director	Advisory Fees	68	70	-	-6
		Commission	5	3	-	-
N K Grover	Independent Director	Commission	3	3	-	-
Vinod Sharma	Director	Commission	3	3	-	-
Vinod Kumar	Whole Time Director	Salary	38	-	-4	-
		Commission	-	-	-	-
Ramesh Chand Sharma	CFO	Short term employee benefit	-	-	-	-
		Salary	37	30	-2	-2
		Car Hire Charges	4	4	-0	-0
Ritu Gupta	Company Secretary	Short term employee benefit	-	-	-	-
		Salary	21	21	-2	-2

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

4. 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, 2025	As at March 31, 2024
Debt*	-	-
Cash and Bank Balance (including Cash and Bank Balances in a disposal group held for sale)	28,450	21,606
Net Debt	-	-
Equity	72,893	83,248
Total Debt + Equity		
Net Debt to Equity Ratio	0.00%	0.00%

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

(ii) Categories of Financial Instruments

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	28,450	21,606
c) Other Financial Assets	27,449	24,320
d) Trade Receivable	664	28,809
Total	56,563	74,734

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	-	-
b) Current Borrowing	-	-
c) Trade Payable	48,697	70,313
d) Other Financial Liability*	20,746	8,370
Total	69,443	78,683

* 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, 2025
(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, 2025	As at March 31st, 2024
1	GAIL (Pool Fund NG)	6,589	-
2	FICC, GoI	-	26,024

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 28,449 Lakhs (31 March 2024: Rs. 21,606 Lakhs).

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 Lakhs 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, 2025 and March 31, 2024 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, 2025						
Borrowing	13	-	-	-	-	-
Trade Payables	13	48,697	-	-	48,697	48,697
Other Financial Liabilities	13	20,746	-	-	20,746	20,746
Total		69,443	-	-	69,443	69,443
As at March 31, 2024						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,312	-	-	70,312	70,312
Other Financial Liabilities	13	8,369	-	-	8,369	8,369
Total		78,681	-	-	78,681	78,681

- 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.

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(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, 2025 and March 31, 2024. 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, 2025	As at March 31, 2024
Financial assets		
Non-interest bearing		
Cash and cash equivalents	3,804	794
Others Financial Assets	25,046	22,355
Trade receivables	6,664	28,809
Interest bearing		
Other Financial Assets		
-Term Deposits with Banks	10	5,888
-Security Deposits	1,616	1,615
Bank Balances other than cash and Cash equivalents		
-Term Deposits with Banks	24,635	14,924
Financial liabilities		
Non-interest bearing		
Trade Payables	48,697	70,312
Other Financial Liabilities (including lease liabilities)	18,980	6,708
Interest bearing		
Other Financial Liabilities		
-Security Deposits	17,67	1,662

(vi) Fixed Deposits Lien With-

Out of total FDRs' of Rs. 24,645 Lakhs, FDRs' worth Rs. 24,355 Lakhs are lien marked with various authorities/government department as under :

(Rs. in Lakhs)

Sl. No.	Name of Company/Department	
1	GAIL	23,601
2	Sales Tax/Vat Authorities	15
3	KESCO/UPPCL	551
4	Railways	76
5	Labour Court	100
6	UP Pollution Control Board	12
	Total	24,355

5. 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.

6. a) Ratios

(Rs. in Lakhs)

Particulars	2024-25	2023-24
Current Ratio		
Current Assets	75,800	93,385
Current Liabilities	68,950	78,751
Ratio	1.10	1.19
%Change	7.56%	

Particulars	2024-25	2023-24
Debt Equity Ratio		
Long Term Borrowings + Short Term Borrowings	0.00	0.00
Shareholders Funds	72,893.00	83,248.00
Ratio	-	-
%Change	-	
Debt Service Coverage Ratio		
EBIDTA	-4,874.00	13,348.00
Principal repayments of Long term borrowings & Interest	-	-
Ratio	-	-
%Change	-	
Return on Equity/ Investment Ratio		
Net Profit after Taxes	(10,354)	1,494.00
Shareholder's Equity	72,893.00	83,248.00
Ratio	-0.14	0.02
%Change	800%	
Remarks: Significant change is due to losses incurred in current year because of very low production and high energy consumption.		
Inventory Turnover Ratio		
Sales	2,56,009.00	2,94,885.00
Average Inventory	9,046.00	10,487.00
Ratio	28.30	28.12
%Change	0.64%	
Trade Receivables Turnover Ratio		
Net Credit Sales	2,56,008.00	2,94,885.00
Avg Accounts Receivable	17,736.00	35,684.00
Ratio	14.58	8.26
%Change	76.65%	
Remarks : Significant change is due to loss in sales because of less production and maximum POS sales hit which reduced accounts receivable.		
Trade Payables Turnover Ratio		
Net Credit Purchases	48,696.00	70,313.00
Avg Trade Payables	59,505.00	70,510.00
Ratio	0.82	1.00
%Change	18%	
Net Capital Turnover Ratio		
Net Sales	2,56,009.00	2,94,885.00
Working Capital (Current Assets- Current Liabilities)	6,849.00	14,634.00
Ratio	37.38	20.15
%Change	85.51%	
Remarks : Significant change is due to maximum cash generated from business utilized to address the outstanding of vendors.		
Net Profit Ratio		
Net Profit	(10,355.00)	1,494.00
Net Sales	2,56,009.00	2,94,885.00
Ratio	-0.04	0.01
%Change	300%	
Remarks : Significant change is due to losses incurred in current year because of very low production and high energy consumption.		
Return on Capital Employed		
Earning before Interest and Taxes	(4,874.00)	13,348.00
Capital Employed	66,721.00	79,857.00
Ratio	-0.07%	16.71%
%Change	100%	
Remarks : Significant Change in Ratio due to decrease in EBIDTA.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

- 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 – 56 cantonment, Kanpur 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 - 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) Wilful 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 during the financial year 2022-23 and necessary 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 required to spend an amount of Rs. 61.00 Lakhs as CSR expenses during the FY 24-25.
- ii) However, the company has incurred an amount of Rs.492.00 Lakhs as CSR expenses in FY 24-25, based on approval of the Board an amount of upto 500 Lakhs voluntarily.

Particulars	For the year ended 31.03.2025
1) Jaypee University, Anoopshahr	300
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	187
3) Vishwakarma Udhayogik Prashikshan Kendra Chitta	4
4) Dy. Commissioner Industry, Kanpur for National Flag Distribution	1
Total	492

l) Details of Crypto Currency or Virtual Currency:

The company has not dealt with crypto/virtual currency.

7. Previous year figures have been regrouped/ reclassified wherever found necessary to make them confirm to the current year classification.
8. All figures have been rounded off to the nearest rupees 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

(Manoj Kumar Vats)
Partner
M. No. 527922

Place: New Delhi
Dated : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN : 00008480

(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, 2025, 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 2025, 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 state of affairs of the Group as at March 31, 2025 and its loss, 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 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	<p>Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy</p> <p>i. During the FY 2024-25, group recognized the total subsidy of Rs. 2035.06 crores on sale of Urea, Natural Gas and Freight. Accuracy of revenue may deviate significantly because revision in the notified rates and change in final estimates w.r.t escalation/de-escalation of cost.</p> <p>ii. During the FY 2024-25, the group received Rs. 2298.75 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</p>	<p>Our procedures included the following:</p> <p>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.</p> <p>ii. Reviewed the Group's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 3 Statement of Material Accounting policies" in conformity with the provision of Ind AS on Government Grants.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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, 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 statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Emphasis of Matters

We draw to your attention to Note No. 39(2) of the financial statement, operation of the Plant at Kanpur has been suspended w.e.f 01.04.2025 due to non-availability of Energy norms which were valid up to 31st March, 2025 and no clarity on revision of fixed cost. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. However, the financial statements of the group have been prepared on a going concern basis

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

Report on Other Legal and Regulatory Requirements

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid 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.
- On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors

is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the 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.
- 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.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Group has disclosed the impact of pending litigations on its financial position in its Ind AS consolidated financial statements. - Refer Note 39 (1) to the Ind AS consolidated financial statements;
 - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - The Group is not required to transfer any amount to the Investor Education and Protection Fund
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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 software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Group as per the statutory requirements for record retention.
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 - 12/05/2025
Place - NEW DELHI
UDIN - 25527922BMLDVM5523

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, 2025 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, 2025, 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 - 12/05/2025

Place - NEW DELHI

UDIN - 25527922BMLDVM5523

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 Group for the year ended 31st March 2025

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 Group is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Group 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 group, the title deeds of immovable Properties are deemed held in the name of group 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 Group	Reason for not being held in name of group
Land – 56 cantonment, Kanpur 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 - Cee Kay Estate Udyog Vihar Industrial Area, Panki, Kanpur					

- (d) The Group has not revalued its properties, plant and equipment; therefore, the Clause 3(i)(d) is not applicable.
- (e) As informed, the Group, no proceedings have been initiated or are pending against the group 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 Group has not been sanctioned working capital limits in excess of ₹ 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 Group has made investments in, Companies and not granted unsecured loans to other parties, during the year, in respect of which:
- A) The Group 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 Group'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 Group 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 Group has not made investments in Firms and Limited Liability Partnerships during the year. Further the Group 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 Group 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 Group has not granted any loans as per Sections 185. Therefore, the same is not applicable for the group.
- (v) The Group has not accepted any deposits from the public. Therefore, reporting under clause (v) of CARO is not applicable to the Group.
- (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 group 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 2024-25 was yet to be concluded at the time of submission of our report.

- (vii) (a) In our opinion, the Group 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, 2025 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, 2025 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount of Demand (Rs. in Lakhs)	FY	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.91	2022-23	Assessing Officer
Income Tax Act, 1961	Income Tax	1.04	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	201.30	2017-18	## State Bench of Goods and Service Tax Appellate Tribunal

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 Group has not defaulted in the repayment of loans or borrowings to banks at the end of the year.
- (b) The Group 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 Group has applied term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the consolidated financial statements of the Group, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Group.
- (e) On an overall examination of the consolidated financial statements of the Group, the Group has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Group 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 Group 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 Group 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 consolidated financial statements and as per the information and explanations given by the management, we report that no fraud by the group or any fraud on the Group by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion, the Group is not a nidhi Group. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Group.
- (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 consolidated financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Group 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 Group 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 group 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 Group.
- (xvi) In our opinion and according to the information and explanations given to us, the group 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 Group.
- (xvii) The group has incurred cash loss of Rs. 10,424/- (in Lakhs) during the current year but not in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Group 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 consolidated 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 Group 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 Group. 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 Group 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 - 12/05/2025
Place - NEW DELHI
UDIN - 25527922BMLDVM5523

KANPUR FERTILIZERS & CHEMICALS LIMITED

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2025

CIN : U24233UP2010PLC040828

(Rs. in Lakhs)

Particulars	Note No	As on 31st March, 2025	As on 31st March, 2024
Assets			
Non Current Assets			
Property, Plant and Equipment	4	53,355	62,027
Capital Work in Progress	4.1	6,517	641
Financial Assets			
Investments	5	2,744	4,689
Other Financial Assets	6	2,404	1,974
Deferred Tax Assets (Net)	7	2,913	-
Other Non Current Assets	8	133	3,274
Sub Total Non Current Assets		68,066	72,604
Current Assets			
Inventories	9	7,565	10,526
Financial Assets			
Investments	10	-	1,047
Trade Receivable	11	6,664	28,809
Cash and Cash Equivalents	12	3,814	6,682
Bank Balance other than above	13	24,070	14,912
Other Financial Assets	14	25,046	22,346
Other Current Assets	15	8,641	9,055
Sub Total Current Assets		75,800	93,376
Grand Total Assets		143,866	165,981
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	35,246	35,246
Other Equity	17	37,511	47,968
Sub Total Equity		72,757	83,214
Non Current Liabilities			
Financial Liabilities			
Borrowing			
Other Financial Liabilities	18	1,767	1,662
Provisions	19	391	342
Deferred Tax Liabilities (Net)	7	-	2,020
Sub Total Non Current Liabilities		2,158	4,024
Current Liabilities			
Financial Liabilities			
Borrowings			
Trade payables	20	0	0
Total outstanding dues of other than MSME		48,305	69,940
Total outstanding dues of MSME		392	373
Other Financial Liabilities	21	18,980	6,708
Other Current Liabilities	22	1,197	857
Provisions	23	77	77
Current Tax Liabilities(Net)	24	-	787
Sub Total Current Liabilities		68,951	78,743
Grand Total Equity and Liabilities		143,866	165,981

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 : 12-05-2025

(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, 2025

(Rs. in Lakhs)

Particulars	Note No	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
Revenue From Operations	25	256,009	294,885
Other Income	26	6,687	2,155
Total Income		262,696	297,040
Expenses			
Cost of Materials Consumed	27	188,891	211,276
Purchases of Stock-in-Trade	28	2,063	4,939
Changes in Inventories of Finished Goods & Work-in-Progress	29	2,515	310
Employee Benefits Expense	30	6,188	5,903
Finance costs	31	5,604	2,480
Depreciation and amortization Expense	32	4,688	7,320
Other expenses	33	67,860	61,266
		277,809	293,492
Profit Before Exceptional Items and Tax		(15,112)	3,548
Exceptional Items [Net]	34	-	-
Profit before share of Profit/ Loss of Associate Co. and Tax		(15,112)	3,548
Share of Profit/(Loss) of Associate Co.		(118)	(53)
Profit after share of Profit/ Loss of Associate Co. and Tax		(15,231)	3,496
Tax Expense:			
(1) Current Tax		-	787
(2) Tax Paid for A.Y. 2024-25		30	19
(3) Excess MAT credit booked in earlier year, now reversed		-	55
(4) Mat Credit		-	2,517
(5) Deferred Tax		(4,887)	(1,201)
Total Tax Expenses		(4,857)	2,178
Profit/(Loss) for the Period		(10,374)	1,318
Other Comprehensive Income Items that will not be Reclassified to Profit or Loss			
A. (i) Re-measurement gains/ (losses) on defined benefit plans (net)		(3)	23
(ii) Income Tax		1	(8)
B. (i) Re-measurement gains/ (losses) on Investments (net)		(126)	195
(ii) Income Tax		44	(68)
Total Other Comprehensive Income		(84)	142
		-	-
Total Comprehensive Income for the Period		(10,458)	1,460
Paid Up Equity Share Capital (Rs. in Cr.)		352	352
Face Value per share		10	10
Earnings per Equity Share			
(1) Basic (Rs.)		(2.94)	0.42
(2) Diluted (Rs.)		(2.94)	0.42

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 : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

KANPUR FERTILIZERS & CHEMICALS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

Cash Flow Statement	2024-25	2023-24
A Cash Flows From Operating Activities		
Profit For the Year	(15,231)	3,548
Adjustments For:		
- Depreciation	4,688	7,320
- Interest and Finance Charges	5,604	2,480
- Sundry creditors written off	(89)	(536)
- Profit on sale of fixed assets	(4,319)	(79)
- Interest Income on Fixed Deposits	(2,201)	(1,420)
- Other adjustments	150	161
Operating Profit Before Working Capital Changes	(11,398)	11,473
Adjustments for :		
- (Increase) / Decrease in Inventories	2,961	(78)
- (Increase) / Decrease in Trade Receivables	22,121	13,752
- (Increase) / Decrease in Other Financial Assets	(2,523)	(4,451)
- (Increase) / Decrease in Other Current Assets	265	(3,806)
- Increase / (Decrease) in Trade Payables	(21,503)	(202)
- Increase / (Decrease) in Other Current Liabilities	339	(1,945)
- Increase / (Decrease) in Other Financial Liabilities and Provision	12,297	(2,728)
- Change in Other Assets	585	10
Cash Generated From Operations		
- Income Tax Refund/ (Paid)	(817)	(534)
Net Cash Flow Generated From Operating Activities	(817)	(534)
B Cash Flow From Investing Activities		
- Additions to PPE and Intangible Assets	(9,643)	(8,651)
- Proceeds From Sale/ Disposal of Property, Plant and Equipment	14,625	1,388
- Interest Received	2,148	1,341
- Investment in Fixed Deposit	(9,711)	(3,665)
- Investment in Equity Instruments	2,579	(5,376)
- Investment in Gold Bonds	412	(412)
Net Cash Flows (Used in) Investing Activities	410	(15,375)
C Cash Flow From Financing Activities		
- Proceeds/(Repayments) of Share Capital	-	-
- Proceeds/(Repayments) of Long Term Borrowings	-	-
- (Repayments of) / Proceeds From Short Term Borrowings (Net)	-	-
- Interest and Finance Charges Paid	(5,604)	(2,480)
Net Cash Flows (Used in)/ Generated From Financing Activities	(5,604)	(2,480)
Net Change in Cash and Cash Equivalents (A+B+C)	(2,867)	(6,363)
Cash and Cash Equivalents- Opening Balance	6,682	13,045
Cash and Cash Equivalents- Closing Balance	3,814	6,682
Notes to Cash Flow Statement:		
Cash and Cash Equivalents Include :		
Cash in Hand	5	2
Balances with Banks	3,809	6,680
Cash and Cash Equivalents at the end of the Year [Refer Note No 12]	3,814	6,682

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 : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

Equity

Particulars

a. Equity share capital

(Rs. in Lakhs)

Balance as at 31st March, 2024

35,246

Equity Share Issued During the period

-

Balance as at 31st March, 2025

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, 2024	-	42,383	5,243	343	47,968
Profit For the Year	-	-	(10,373)	-	(10,373)
Remeasurement of Defined Benefit Liability (Net of Tax)	-	-	-	(84)	(84)
Changes During The Year	-	-	-	-	-
Balance as at 31st March, 2025	-	42,383	(5,130)	259	37,511

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 : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(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, 2025

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 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" Material Accounting Policies

A. Basis of preparation of financial statements-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 read with IND Accounting Standards amended from time to time applicable to companies to whom IND AS applies'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 ("₹") 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 pursuant to Demerger Scheme dated 16.01.2012 of Hon'ble

BIFR has been 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 realizable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing them to their present location & condition.

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

Net 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 upto March 31, 2025; and
- iii. Uniform Freight Policy

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

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

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

ii). Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a

time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iii). Insurance Claims

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

e. Foreign Currency Transaction

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

At the end of each reporting period-

- i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

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

f. Retirement and other employee benefits

i). Retirement benefit costs

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

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

Defined benefit costs are categorized as follows:

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

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

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in

retained earnings and is not reclassified to profit or loss.

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

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

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

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

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

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

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

g. Borrowing cost

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

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

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

h. Lease

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In

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

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

Company as a lessor

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

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified IndAS 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.

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. “4”

NOTE No. “4” – Property Plant & Equipment

(Rs. in Lakhs)

Particulars	Lease Hold Land	Free 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, 2024	24,344	-	17,102	88,842	1,102	407	19	194	22	124	423	462	133,042
Additions		3,160	1,077	1,305	147	76	-	22	1			340	6,128
Disposals/Discard			10,091	-			1					314	10,406
As at 31st March, 2025	24,344	3,160	8,087	90,147	1,249	483	19	216	23	124	423	486	128,761
Accumulated Depreciation													
As at 31st March, 2024	-	-	3,072	66,131	716	337	11	155	14	89	278	211	71,015
Charge for the year			354	4,073	123	23	0	15	2	6	28	65	4,689
Disposals/Discard			271	-			1					23	295
As at 31st March 2025	-	-	3,155	70,204	839	360	10	171	16	95	306	253	75,408
Net Block(As at 31st March, 2024)	24,344	-	14,029	22,711	386	70	9	39	9	34	146	252	62,027
Net Block(As at 31st March, 2025)	24,344	3,160	4,932	19,943	410	123	9	45	7	29	117	235	53,355

NOTE 4.1 Capital Work-in-Progress

(a) CWIP Ageing Schedule as on 31.03.2025

(Rs. in Lakhs)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Nano Urea Project	6,517	-	-	-	6,517
Total	6,517	-	-	-	6,517

(b) CWIP Ageing Schedule as on 31.03.2024

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
NG Boiler/R&D Lab	641	-	-	-	641
Total	641	-	-	-	641

NOTE No. “5”

(Rs. in Lakhs)

Investments	As on 31st March, 2025		As on 31st March, 2024	
a. Investments in Equity Instruments	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Investment in equity shares of Associate Company (at cost) Unquoted, Fully Paidup of Rs. 10/- each				
Resurgent India Food & Fuel Private Limited	3,380,825	362	2,411,500	241
Share of Profit / (Loss)		(118)		1
Value of Investment	3,380,825	244		242
Bharat Digital Education Private Limited (Formerly known as Quality Health & Education Private Limited)	-	-	5,000,000	500
Share of Profit / (Loss)				(53)
Value of Investment				447
Total		244		689
b. Investment in 9% Secured Non Convertible Debentures Unquoted Fully Paidup	No. of Debentures	Rs. in Lakhs	No. of Debentures	Rs. in Lakhs
Himalayaputra Aviation Limited	1,000	1,000	1,000	1,000
JIL-IT	1,500	1,500	3,000	3,000
Total		2,500		4,000
Grand Total		2,744		4,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

	As on 31st March, 2025	As on 31st March, 2024
NOTE No. "6"		
Other Financial Assets		
Term Deposit Account with Maturity of more than 12 Months pledged as margin with banks against LC/BG	566	13
Security Deposit	1,616	1,616
Other Receivables	222	346
	2,404	1,974
NOTE No. "7"		
Deferred Tax Assets	0	-
Provision for Leave encashment ,Gratuity & Bonus	164	147
Unabsorbed Depreciation & Business Losses	4,653	-
Deferred Tax Liabilities	0	18
Difference in book depreciation and tax depreciation	(1,903)	(2,185)
Net Deferred Tax Assets/Liability	2,913	(2,020)
MAT Credit Entitlement	-	-
Total	2,913	(2,020)

Movement in deferred tax balances
31st March, 2025

Particulars	Net Balance April 1, 2024	Recognised in P&L	Recognised in OCI	Net Balance March 31, 2025
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(2,185)	282	-	(1,903)
Provision for Leave encashment ,Gratuity & Bonus	147	16	1	164
Unabsorbed Depreciation & Business Losses	-	4,652	-	4,652
Net Deferred Tax Assets/(Liabilities)	(2,038)	4,950	1	2,913

31st March, 2024

Particulars	Net Balance April 1, 2023	Recognised in P&L	Recognised in OCI	Net Balance March 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	129	25	(8)	147
Unabsorbed Depreciation & Business Losses	-	(177)	195	18
Net Deferred Tax Assets/(Liabilities)	(3,145)	938	188	(2,020)

	Rs. in Lakhs)			Rs. in Lakhs)	
	As on 31st March, 2025	As on 31st March, 2024		As on 31st March, 2025	As on 31st March, 2024
NOTE No. "8"			NOTE No. "9"		
Other Non-Current Assets			Inventories		
Prepaid Expenses	2	3	Raw Materials-Urea	254	747
Tax Assets (Net)			Raw Materials-Nano Urea	47	-
Advance Tax	130	715	Work in Progress	1,316	1,836
	-	-	Finished Goods	1,509	317
Capital Advance	-	-	Finished Goods In Transit	-	3,188
Advance for Land & Building	-	2,556	Stores & Spares	4,127	3,836
Total	133	3,274	Stores & Spares in Transit	-	47
			Catalyst	312	556
			Total	7,565	10,526

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "10"

Investments

(Rs. in Lakhs)

	As on 31st March, 2025		As on 31st March, 2024	
a. Investments in Equity Shares Quoted Fully Paidup	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Apollo Hospitals Enterprise Limited	-	-	400	25
Axis Bank Limited	-	-	1,000	10
Bharat Dynamics Limited	-	-	1,000	18
Bharat Electronics Limited	-	-	2,000	4
BEML Limited	-	-	1,000	32
Dalmia Bharat Limited	-	-	1,000	19
Data Patterns (India) Limited	-	-	300	7
Devyani International Limited	-	-	9,000	14
HDFC Bank Limited	-	-	800	12
ICICI Bank Limited	-	-	3,500	38
Indian Railway Catering and Tourism Corporation Limited	-	-	1,500	14
ITC Limited	-	-	5,500	24
Larsen and Toubro Limited	-	-	3,000	113
Paras Defence and Space Technologies Limited	-	-	700	4
Reliance Industries Limited	-	-	3,680	109
JIO Financial Services Limited	-	-	6,880	24
SBI Life Insurance Company Limited	-	-	1,000	15
TATA Communications Limited	-	-	1,000	20
Tata Consultancy Services Limited	-	-	300	12
Tejas Networks Limited	-	-	1,500	10
Tata Teleservices (Maharashtra) Limited	-	-	10,000	7
Ultratech Cement Limited	-	-	1,000	97
Vedanta Limited	-	-	2,000	5
Total		-		635
b. Other Investment	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Gold Bonds Quoted				
Government of India SGB 19MY 28S II 2.50 FV Rs. 4590	-	-	2,000	129
Nippon India Mutual Fund ETF Gold BeES	-	-	500,000	283
Total		-		412
Grand Total		-		1,047

NOTE No. "11"

(Rs. in Lakhs)

Trade Receivables

Others (Unsecured, Considered Good)

Less : Provision for Bad & Doubtful Debts

	As on 31st March, 2025	As on 31st March, 2024
Others (Unsecured, Considered Good)	7,227	29,371
Less : Provision for Bad & Doubtful Debts	563	563
Total	6,664	28,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025
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	6,599	-	-	-	-	6,599
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	6,599	-	-	-	65	6,664

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

NOTE No. "12"
Cash and Cash Equivalents

	As on 31st March, 2025	As on 31st March, 2024
Balance with Banks	3,799	792
Term Deposit Account with Maturity of Less Than Three Months	-	612
Term Deposit Account with Maturity of Less Than Three Months pledged as margin with banks against LC/BGs	10	5,276
Cash in Hand	5	2
Total	3,814	6,682

NOTE No. "13"
Other Bank Balances

Deposits with Maturity for more than 3 months but Less than 12 months	290.62	9,937
Deposits with Maturity for more than 3 months but Less than 12 months pledged as margin with banks against LC/BGs	23,779	4,974
Total	24,070	14,912

NOTE No. "14"
Other Financial Assets

	As on 31st March, 2025	As on 31st March, 2024
Accrued Interest Receivable	231	178
Other Receivables	627	76
Related Party	24,188	22,092
Total	25,046	22,346

NOTE No. "15"
Other Current Assets

Prepaid Expenses	133	119
Advances to Vendors	373	1,335
GST Refund Receivable	277	403
GST/VAT Receivable	7,323	6,084
Investment in Gold Bars	-	274
TDS & Advance Taxes	534	840
Total	8,641	9,055

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Lakhs)

NOTE No. "16" SHARE CAPITAL	As on 31st March, 2025	As on 31st March, 2024
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, 2025 No. of Shares	% of Shares	As on 31st March, 2024 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, 2025			As on 31st March, 2024		
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	-	-	-	-	-	-
Closing Balance	200,050,000	56.76%	-	200,050,000	56.76%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	126,982,549	36.03%	-	126,982,549	36.03%	-
Acquired/Converted during the year	-	-	-	-	-	-
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	-	-	-	-	-	-
Closing Balance	25,000,000	7.09%	-	25,000,000	7.09%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Reconciliation of No. of Shares Outstanding	As on 31st March, 2025 No. of Shares	As on 31st March, 2024 No. of Shares
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	352,457,225	352,457,225
Equity Shares Issued During the Year	-	-
Outstanding at the End of the Year	352,457,225	352,457,225

Equity Shares

The Company has Equity 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 nominee, Jaypee Fertilizers & Industries Limited (36.03%), Mahabhadra Constructions Limited (7.09%) and Others (0.12%).

The dividend, if declared will be paid by the Company in Indian Rupees. The dividend, if any, 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.

(Rs. in Lakhs)

NOTE No. "17"	As on 31st March, 2025	As on 31st March, 2024
Other Equity		
(i) Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)	5,243	3,925
Opening Balance	(10,373)	1,318
Profit / (Loss) for the year	(5,130)	5,243
Closing Balance		
(b) Security Premium Reserve		
Opening Balance	42,383	42,383
Addition during the Year		
Closing Balance	42,383	42,383
Total Reserve & Surplus	37,252	47,625
(ii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	343	201
Addition/Deduction during the Year	(84)	142
Closing Balance	259	343
Total Other Equity	37,511	47,968

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

	(Rs. in Lakhs)			(Rs. in Lakhs)	
	As on 31st March, 2025	As on 31st March, 2024		As on 31st March, 2025	As on 31st March, 2024
NOTE No. "18"			NOTE No. "19"		
Other Financial Liabilities			Long Term Provisions		
Security and Other Deposits	1,767	1,662	Provision for Employee Benefit		
Total	1,767	1,662	Gratuity	237	195
			Leave Encashment	154	148
			Total	391	342

NOTE No. "20"

Trade Payables

	As on 31st March, 2025	As on 31st March, 2024
Others	48,305	69,940
Micro Small Medium Enterprises	392	373
Total	48,697	70,313

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

a) Principal amount	392	373
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 30th June, 2023	Nil	Nil
f) The amount of interest remaining due and payable even in the succeeding years, until such date when the the interest is actually paid	Nil	Nil

Ageing analysis of trade payable As on 31.03.2025

(Rs in Lakhs)

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	392	-	-	-	392
b) Others	48,260	22	2	20	48,305
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	48,652	22	2	20	48,697

* MSME Dues are less than 45 days

Ageing analysis of trade payable as on 31.03.2024

Particulars	Less Than 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

	(Rs in Lakhs)	
Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "21"		
Other Financial Liabilities		
Payable on Account of Employees	577	529
Security and Other Deposits	88	142
Amount Payable to Related Parties	14	69
Other Payable	18,301	5,968
Total	18,980	6,708
NOTE No. "22"		
Other Current Liabilities		
Statutory Taxes and Dues	470	437
Advance Received from Customers	727	420
Total	1,197	857
NOTE No. "23"		
Provisions		
Gratuity	21	32
Leave Encashment	56	45
Total	77	77
NOTE No. "24"		
Current Tax Liability		
Provision for Income Tax	-	787
Total	-	787
NOTE No. "25"		
Revenue from Operation		
Sale of Products		
Urea Sale	32,817	35,944
Govt Subsidy- Urea	203,506	236,690
GAIL Subsidy- Gas pool	16,870	14,979
Sale-Flyash	118	132
	253,311	287,746
Other Operating Revenue		
Sale -Traded Product	2,362	5,866
Ammonia Sale	336	1,274
	2,698	7,139
Total	256,009	294,885
NOTE No. "26"		
Other Income		
Interest Income	2,201	1,420
Insurance Claim Received	1	47
Misc Receipts	167	609
Profit/(Loss) on Sale/Discarding of Fixed Assets	4,319	79
Total	6,688	2,155
NOTE No. "27"		
Cost of material Consumed		
Raw Materials Consumed-Urea	181,963	201,877
Coal Consumed	4,122	6,398
Bags Consumed	2,806	3,001
Total	188,891	211,276

	(Rs in Lakhs)	
Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "28"		
Purchases of Stock-in-Trade		
Wheat seed	1,926	2,497
Calcium Nitrate	-	191
Zyme	120	1,078
Micro Nutrient	-	444
Sulphur	-	344
Zinc Sulphate	-	28
City Compost	17	27
Ferrous Sulphate	-	275
Others	-	54
Total	2,063	4,939
NOTE No. "29"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	1,836	1,528
Finished Goods	3,504	4,122
	5,340	5,650
Closing Stock		
Work-in-Progress	1,316	1,836
Finished Goods	1,509	3,504
	2,825	5,340
Total	2,515	310
NOTE No. "30"		
Employee Benefit Expense		
Salaries and Wages	5,902	5,586
Contribution to Provident and Other Funds	206	197
Gratuity	58	97
Staff Welfare	22	23
Total	6,188	5,903
NOTE No. "31"		
Finance Cost		
Interest to Others	5,521	2,480
Financial Charges	83	-
Total	5,604	2,480

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs in Lakhs)			(Rs in Lakhs)		
Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)	Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "32"			Safety & Security	401	335
Depreciation and Amortization expense			Donation & Charity	62	3,000
Depreciation on Tangible Assets	4,688	7,320	Horticulture and Gardening	28	49
Total	4,688	7,320	Auditors Remuneration*	25	28
NOTE No. "33"			(*) please refer details below		
Other expenses			Fair value of Financial Liability at amortised cost	126	118
Repairs & Maintenance - Others	1,512	248	R & D Expenses	2,200	31
Electricity Charges	40,022	39,561	Miscellaneous Expenses	412	462
Store and Spares Consumed	1,649	2,391	Total	67,860	61,266
Repairs & Maintenance - Plant	1,678	1,818			
Directors' Meeting Fee	39	36	NOTE No. "34"		
Commission to Non-executive Directors	230	263	Exceptional Items (Net)	-	-
Insurance	160	231	(*) Auditors Remuneration		
Rates & Taxes	126	309	Particulars	For year ended 31.03.2025	For year ended 31.03.2024
Loading & Unloading Charges	1,200	1,227	Audit Fees(Including LR Fees#)	8	8
Travelling & Conveyance Expenses	327	308	Tax Audit Fees	3	3
Corporate Social Responsibility	491	43	Cost Audit Fees	3	3
Vehicle Running & Hiring Charges	279	249	Internal Audit Fees	8	8
Freight & Octroi Expenses	5,426	6,311	Secretarial Audit Fee	1	1
Advertising and Sales Promotion	4,987	699	Management Audit Fees	3	3
Legal & Professional	6,455	3,488	Audit Expenses	0	3
Bank Charges & LC/BG Commission	25	64	Total	25	28

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, 2025	March 31, 2024
Current tax expense		
Current year	-	787
MAT Credit	-	2,517
Adjustment for prior periods	30	74
	30	3,379
Deferred tax expense		
Origination and reversal of temporary differences	(4,887)	(1,183)
Reduction in tax rate	-	-
	(4,887)	(1,183)
Total income tax expense	(4,857)	2,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025
ii) Income tax recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	March 31, 2025			March 31, 2024		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(3)	1	(2)	23	(8)	15
- Net gains/(losses) on Investments	(126)	44	(82)	195	(68)	127
	(129)	45	(84)	218	(76)	142

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

(Rs. in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Accounting Profit/(Loss) before tax expense	(15,112)	3,548
Enacted tax rate	34.944%	34.944%
Taxed at India Statutory Tax Rates	(5,281)	1,240
Tax Effect of:-		
Non-Deductible Expenses	363	1,238
Non-Taxable Incomes	(1,536)	(55)
Expenses disallowed earlier now allowed as per Income Tax Act,1961	(53)	(61)
Impact of Depreciation as per Income Tax Act,1961	417	1,117
Carry Forward of Income Tax Losses for current year	6,090	(3,478)
Current tax of Prior Period	-	-
Deffered Tax Impact	(4,932)	(1,107)
Tax Expenses	(4,932)	(1,107)

iv) The tax rates under Indian Income Tax Act, for Financial Year 2024-25 is 34.944% (Previous year 2023-24 is 34.944%).
NOTE No. "36" Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and diluted earnings per share (Rupees)	March 31, 2025	March 31, 2024
Basic earnings per share (Refer footnote a & b)	2.94	0.42
Diluted earnings per share	2.94	0.42
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	(10,458)	1,494
Profit attributable to equity shareholders	(10,458)	1,494
(b) Weighted average number of equity shares (Nos)		
Opening balance of issued equity shares	352,457,225	3,525
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic EPS (b)	352,457,225	3,525
(c) Weighted average number of Convertible Preference shares		
Opening balance of issued Preference shares	-	-
Effect of shares Issued during the year, if any	-	-
Balance shares convertible at the end of the Year	-	-
Effect of shares Convertible during the year, if any	-	-
Weighted average number of Convertible Preference shares (c)	-	-
Weighted average number of equity shares for Diluted EPS (b + c)	352,457,225	3,525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "37" Disclosure as per Ind AS 19 'Employee benefits'

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund to the appropriate authorities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. An amount of Rs. 2.06 crore (31st March 2024: Rs. 1.97 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 31.03.2025	As at 31.03.2024
Net defined benefit Obligation :		
Gratuity (funded)	30	54
Total	30	54
Total employee benefit obligation		
Non-current	237	195
Current	21	32
Total	258	227

(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	226	205
Interest Cost	16	15
Service Cost	42	37
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-29	-54
Total Actuarial (Gains)/Loss on obligation	3	23
Total Service Cost to be recognised in Statement of Profit & Loss A/C	258	226
Included in OCI		
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	-	-
Financial Assumptions	4	2
Experience Adjustment	-1	20
Total Amount Recognised in OCI	3	23

D. Defined benefit obligations

i. Actuarial assumptions

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

(Rs. in Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Discount rate	7.22%	7.22%
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	31.03.2025		31.03.2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(9)	10	(8)	8
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	10	(9)	9	(8)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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.

c) Mortality & Disability

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

d) 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 2025							
Gratuity	21	39	1,578	17	17	13	135
Total	21	39	1,578	17	17	13	135

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 31.03.2025	As at 31.03.2024
Gratuity	13	13

(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. 2.11 crore (31st March 2024: Rs. 1.93 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 31.03.2025	For the year ended 31.03.2024
A. Amount required to be spent during the year	61.16	-
B. Amount Actually spent during the year	491.50	42.67
Amount upspent (if any)	-	-

Amount spent during the year ended 31 March 2025: (Rs. in Lakhs)

Particulars	Amount spent	Yet to be spent	Total
- (i) Construction/ acquisition of any asset	-	-	-
- (ii) On purposes other than (i) above	491.50	-	491.50
Grand Total	491.50		491.50

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

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2025
1) Jaypee University, Anoopshahr	300.00
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	186.50
3) Vishwakarma Udhayogik Prashikshan Kendra Chitta	4.00
4) Dy. Commissioner Industry, Kanpur for distribution of National Flag	1.00
Total	491.50

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2024
1) Sardar Patel Uchcharar	31.00
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	11.00
3) Additional Labour Commissioner, Kanpur for Water Cooler	0.67
Total	42.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

NOTE No. "39"

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

(Rs. in Lakhs)

Particulars	2024-25	2023-24
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt	2	11
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt#.	385	356
Amount deposited under protest.	68	57
c) Legal claims against Civil/Labour Court Cases	1,173	1,175
d) Stamp Duty (U/s 47 of Stamp Act)	-	4,223
e) Outstanding Balances of Bank Guarantees	655	652
Margin Money deposited against the above	717	653
f) Outstanding Standby Letters of Credit	23,000	9,000
Margin Money deposited against the above	23,601	9,566
e) Capital Commitments:		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)##	6,800	-

(#) The Appeals are yet 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.

(##) Pertains to Ray Nano Science & Research Centre for technology transfer of Nano Urea Plant.

2. Operation of Plant has been suspended w.e.f 01.04.2025 due to non-availability of Energy norms which were valid upto 31st March,2025 and no clarity on revision of fixed cost.

3. 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) (Undergoing Corporate Insolvency Resolution Process (CIRP) since 03.06.2024 under section 7 of Insolvency and Bankruptcy Code (IBC), 2016 vide order dated 03.06.2024 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, Prayagraj)

b) Fellow Subsidiary Companies

- Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
- Himalyan Expressway Limited (wholly owned subsidiary of JAL)
- Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
- Jaypee Ganga Infrastructure Corporation Limited (wholly owned subsidiary of JAL)
- Jaypee Agra Vikas Limited (wholly owned subsidiary of JAL)
- Jaypee Cement Corporation Limited (JCCL) (wholly owned subsidiary of JAL)

(Undergoing Corporate Insolvency Resolution Process (CIRP)) since 22.07.2024 under Section 7 of Insolvency and Bankruptcy Code (IBC), 2016 vide order dated 22.07.2024 passed by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, Prayagraj).

- Himalyaputra Aviation Limited (wholly owned subsidiary of JAL)
- Jaypee Assam Cement Limited (wholly owned subsidiary of JAL)
- Jaypee Infrastructure Development Limited (wholly owned subsidiary of JAL).
- Jaypee Cement Hockey (India) Limited (wholly owned subsidiary of JAL)
- Jaiprakash Agri Initiatives Company Limited (wholly owned subsidiary of JCCL)
- Yamuna Expressway Tolling Limited (wholly owned subsidiary of JAL)
- East India Energy (P) Ltd. (wholly owned subsidiary of JAL w.e.f. 29.12.2022)
- Jaypee Infratech Limited (JIL) [Vide Hon'ble NCLT order dated 07.03.2023 the resolution plan for JIL got approved and consequent upon that JIL has cancelled 84,70,00,000 shares held by JAL in JIL on 21.06.2024. Hence, JIL ceased to be a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

subsidiary of JAL w.e.f. 21.06.2024. However, pending corporate action by JIL, the shareholding of JAL in JIL is showing in the demat statement of JAL as on 31.03.2025]

15. Jaypee Healthcare Limited (an erstwhile wholly owned subsidiary of JIL) Entire 42,75,00,000 Equity Shares (including beneficial interest for 600 shares) were 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 there 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 March 15, 2023 to the Stock Exchanges informing therein that, JIL's shareholding in the Company has reduced to 36.35% w.e.f 10.03.2023 and accordingly Jaypee Healthcare had become an Associate Company as against wholly owned subsidiary of JIL. Hence, JHL became an associate company of JAL instead of its subsidiary w.e.f. 10.03.2023.

Following the approval of the resolution plan by the Hon'ble NCLT on 07.03.2023, JIL proceeded to cancel 84,70,00,000 shares of JAL on 21.06.2024. However, due to pending corporate actions by JIL, the shareholding of JAL in JIL continues to be reflected in JAL's demat statement as of 31.03.2025. It is crucial to note that JIL is no longer a subsidiary of JAL. Consequently, JHL, which was previously a subsidiary of JIL and then an associate, has ceased to be an associate of JAL w.e.f. 21.06.2024.)

c) Associate Companies:

1. Resurgent India Food & Fuel Service Private Limited (became Associate Company w.e.f. 25.08.2023)
2. Jaypee Infra Ventures Private Limited (Holding Company of JILIT & Associate Company of JAL)
3. JIL Information Technology Limited (JILIT) (Subsidiary of JIVPL)
4. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
5. Manukabir Enterprises Private Limited (incorporated as wholly owned subsidiary of JILIT on 11.02.2025)
6. Bharat Digital Education Private Limited (Erstwhile Quality Health

And Education Private Limited) (ceased to be an Associate Company of the Company and became wholly owned subsidiary of JILIT w.e.f. 13.05.2024)

7. Mahabhadra Constructions Limited (MCL) (wholly owned subsidiary of Jaypee Infra Ventures Private Limited (JIVPL)
8. Jaypee Hotels Limited (JHL) (a public company in which Directors of JAL are interested & hold more than 2% shares.)
9. Jaiprakash Power Ventures Limited (JPVL) (Associate Company of JAL)

d) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri Alok Gaur – Joint Managing Director & CEO (will cease to be a Whole-time Director and continue as Non-executive Director w.e.f. 16.05.2025)
3. Ms. Sunita Joshi – Non Executive Director
4. Shri S.D. Nailwal – Non Executive Director
5. Shri Ajit Kumar – Non Executive Director
6. Shri Anil Mohan – Non Executive Director (Resigned w.e.f. 29.07.2024)
7. Shri K.V. Rajendran – Independent Director
8. Shri Devinder Singh Ahuja – Non Executive Director (Resigned w.e.f. 12.05.2025)
9. Shri Narinder Kumar Grover – Independent Director (Resigned w.e.f. 12.05.2025)
10. Dr. Pramod Kumar Agrawal- Independent Director
11. Maj. Gen. Vinod Kumar (Veteran)-Whole-Time-Director (Appointed as Additional Director w.e.f. 29.07.2024 and w.e.f. Whole-Time Director 01.08.2024)
12. Shri Vinod Sharma – Non-Executive Director
13. Ms. Ritu Gupta- Company Secretary
14. Shri R.C. Sharma– Chief Financial Officer

e) Relative of Director and KMP of Holding / Associate Company (with whom the Company was having transaction during FY 2024-25)

1. Smt Urvashi Gaur, Wife of Shri Manoj Gaur
2. Shri Pankaj Gaur, Managing Director of JAL
3. Shri Suren Jain, Director of JUBVPL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	Transaction During the year		Payment	Outstanding Balance as at	
			FY 2024-25	FY 2023-24	FY 2024-25	31st March, 2025	31st March, 2024
Jaypee Fertilizers & Industries Limited	Holding Company	Reimbursement Towards Expenses	-	-	18	1,533	1,515
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimbursement Towards Expenses	-	-	2	2	1
Jaiprakash Associates Limited	Holding Company	Hotel Services	0	4	720	15,066	18,436
		Flat Maintenance Charges	4	-			
		Rent Recieved Flats	7	-			
		Rent Paid	6	-			
		Flat & land Purchased	1,960	2,360			
		Purchase of Service	616	2,414			
Jaypee Power Ventures Ltd	Fellow Subsidiary Company	Flat Sale	975	-	-	-	-
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Interest Recevied on NCD	90	-	-	-	-
		Helicopter & Aeroplane hire Charges	127	121	146	-13	-12
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	336	313	1,891	1,035	-30
		Flat Sale	1,015	-			
		Purchase of Service	375	-			
JIL Information Technology Ltd.	Associate Company	Manpower Supply	313	151	6,257	5,357	1,640
		Assets Puchased	204	314			
		Flat Puchased	745	2,950			
		Flat Sale	1,550	-			
		Interest Recevied on NCD	25	-			
		Purchase of Various Goods	2,704	59			
Resurgent India Food & Fuel Service	Associate Company	Purchase of Service	100	400	110	0	-
Jaypee Infra Venture Pvt Ltd	Associate Company	Purchase of Service	1,800	225	1,645	-	-27
Jaypee Cement Corporation Ltd.	Associate Company	Purchase of AC Sheets	2	-	340	638	300
Gaur & Nagi Limited	Associate Company	Flat Sale	200	-	-	-	-
		Market Research of new Products	3,008	19	3,077	-1	199
Bhillai Jaypee Cement	Associate Company	Purchase of Machinery/ Assets	177	-	733	557	-
Total						24,174	22,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Receivable / Debit Balance of Related party as at 31st March, 2025	(Rs. in Lakhs)
Jaypee Fertilizers & Industries Limited	1,533
JIL Information Technology Ltd.	5,357
Jaypee Uttar Bharat Vikas Private Limited	2
Resurgent India Food & Fuel Service (P) Ltd.	0
Jaypee Infra Venture Pvt Ltd	-
Mahabhadra Constructions Ltd	1,035
BHILAI JAYPEE CEMENT LTD	557
Jaiprakash Associates Limited	15,066
Jaypee Cement Corporation Ltd.	638
Total	24,188

Payable / Credit Balance of Related party as at 31st March, 2025	(Rs. in Lakhs)
Himalayaputra Aviation Limited	(13)
Gaur & Nagi Limited	(1)
Total	-14

(Rs. in Lakhs)

Name of Related Party	Relationship	Nature of Transaction	Transaction During the year		Outstanding Balance as at	
			FY 2024-25	FY 2023-24	31st March, 2025	31st March, 2024
Manoj Gaur	Non Executive Chairman	Commission	190	201	-	-
Alok Gaur	WTD & CEO	Short term employee benefit	-	-	-19	-3
		Salary	169	163	-	-
		Arrear of Salary	-	53	-	-
		Managerial Remuneration	15	-	-	-
S D Nailwal	Non Executive Director	Commission	13	20	-	-
Sunita Joshi	Non Executive Director	Commission	8	10	-	-
S C K Patne	Independent Director	Commission	-	10	-	-
Anil Mohan	Non Executive Director	Commission	3	5	-	-
K V Rajendran	Independent Director	Commission	3	5	-	-
Ajit Kumar	Director	Advisory Fees	27	27	-2	-2
		Commission	3	3	-	-
Devinder Singh Ahuja	Director	Advisory Fees	68	70	-	-6
		Commission	5	3	-	-
N K Grover	Independent Director	Commission	3	3	-	-
Vinod Sharma	Director	Commission	3	3	-	-
Vinod Kumar	Whole Time Director	Salary	38	-	-4	-
		Commission	-	-	-	-
Ramesh Chand Sharma	CFO	Short term employee benefit	-	-	-	-
		Salary	37	30	-2	-2
		Car Hire Charges	4	4	-	-
Ritu Gupta	Company Secretary	Short term employee benefit	-	-	-	-
		Salary	21	21	-2	-2

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

4. 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, 2025	As at March 31, 2024
Debt*	-	-
Cash and Bank Balance (including Cash and Bank Balances in a disposal group held for sale)	28,450	21,606
Net Debt	-	-
Equity	72,893	83,248
Total Debt + Equity		
Net Debt to Equity Ratio	0.00%	0.00%

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

(ii) Categories of Financial Instruments

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Assets measured at Amortised Cost		
a) Cash and Cash Equivalent including Bank Balances	28,450	21,606
c) Other Financial Assets	27,449	24,320
d) Trade Receivable	664	28,809
Total	56,563	74,734

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Liabilities measured at Amortised Cost		
a) Non-Current Borrowing	-	-
b) Current Borrowing	-	-
c) Trade Payable	48,697	70,313
d) Other Financial Liability*	20,746	8,370
Total	69,443	78,683

* 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, 2025
(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, 2025	As at March 31st, 2024
1	GAIL (Pool Fund NG)	6,589	-
2	FICC, GoI	-	26,024

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 28,449.00 Lakhs (31 March 2024: Rs. 21,606.00 Lakhs).

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 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, 2025 and March 31, 2024 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, 2025						
Borrowing	13	-	-	-	-	-
Trade Payables	13	48,697	-	-	48,697	48,697
Other Financial Liabilities	13	20,746	-	-	20,746	20,746
Total		69,443	-	-	69,443	69,443
As at March 31, 2024						
Borrowing	13	-	-	-	-	-
Trade Payables	13	70,312	-	-	70,312	70,312
Other Financial Liabilities	13	8,369	-	-	8,369	8,369
Total		78,681	-	-	78,681	78,681

- 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.

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

(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, 2025 and March 31, 2024. 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, 2025	As at March 31, 2024
Financial assets		
Non-interest bearing		
Cash and cash equivalents	3,804	794
Others Financial Assets	25,046	22,355
Trade receivables	6,664	28,809
Interest bearing		
Other Financial Assets		
-Term Deposits with Banks	10	5,888
-Security Deposits	1,616	1,615
Bank Balances other than cash and Cash equivalents		
-Term Deposits with Banks	24,635	14,924
Financial liabilities		
Non-interest bearing		
Trade Payables	48,697	70,312
Other Financial Liabilities (including lease liabilities)	18,980	6,708
Interest bearing		
Other Financial Liabilities		
-Security Deposits	17,67	1,662

(vi) Fixed Deposits Lien With-

Out of total FDRs' of Rs. 24,645 Lakhs FDRs' worth Rs. 24,355 Lakhs are lien marked with various authorities/government department as under :

(Rs. in Lakhs)

Sl. No.	Name of Company/Department	
1	GAIL	23,601
2	Sales Tax/Vat Authorities	15
3	KESCO/UPPCL	551
4	Railways	76
5	Labour Court	100
6	UP Pollution Control Board	12
	Total	24,355

5. 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.

6. a) Ratios

(Rs. in Lakhs)

Particulars	2024-25	2023-24
Current Ratio		
Current Assets	75,800	93,376
Current Liabilities	68,950	78,743
Ratio	1.10	1.19
%Change	7.56%	

Particulars	2024-25	2023-24
Debt Equity Ratio		
Long Term Borrowings + Short Term Borrowings	0.00	0.00
Shareholders Funds	72,756.00	83,248.00
Ratio	-	-
%Change	-	
Debt Service Coverage Ratio		
EBIDTA	-4,821.00	13,348.00
Principal repayments of Long term borrowings & Interest	-	-
Ratio	-	-
%Change	-	
Return on Equity/ Investment Ratio		
Net Profit after Taxes	(10,457)	1,494.00
Shareholder's Equity	72,756.00	83,248.00
Ratio	-0.14	0.02
%Change	800%	
Remarks: Significant change is due to losses incurred in current year because of very low production and high energy consumption.		
Inventory Turnover Ratio		
Sales	2,56,009.00	2,94,885.00
Average Inventory	9,046.00	10,487.00
Ratio	28.30	28.12
%Change	0.64%	
Trade Receivables Turnover Ratio		
Net Credit Sales	2,56,008.00	2,94,885.00
Avg Accounts Receivable	17,736.00	35,684.00
Ratio	14.58	8.26
%Change	76.65%	
Remarks : Significant change is due to loss in sales because of less production and maximum POS sales hit which reduced accounts receivable.		
Trade Payables Turnover Ratio		
Net Credit Purchases	48,696.00	70,313.00
Avg Trade Payables	59,505.00	70,510.00
Ratio	0.82	1.00
%Change	18%	
Net Capital Turnover Ratio		
Net Sales	2,56,009.00	2,94,885.00
Working Capital (Current Assets- Current Liabilities)	6,849.00	14,634.00
Ratio	37.38	20.15
%Change	85.51%	
Remarks : Significant change is due to maximum cash generated from business utilized to address the outstanding of vendors.		
Net Profit Ratio		
Net Profit	(10,457.00)	1,494.00
Net Sales	2,56,009.00	2,94,885.00
Ratio	-0.04	0.01
%Change	300%	-
Remarks : Significant change is due to losses incurred in current year because of very low production and high energy consumption.		
Return on Capital Employed		
Earning before Interest and Taxes	(4,820.00)	13,348.00
Capital Employed	66,721.00	79,857.00
Ratio	-0.07%	16.71%
%Change	100%	-
Remarks : Significant Change in Ratio due to considerable decrease in EBIDTA.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

- 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 – 56 cantonment, Kanpur 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 - 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) **Wilful 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 during the financial year 2022-23 and necessary 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 required to spend an amount of Rs. 61 Lakhs as CSR expenses during the FY 24-25.
- ii) However, the company has incurred an amount of Rs.492 Lakhs as CSR expenses in FY 24-25, based on approval of the Board to spend an amount of upto Rs. 500 Lakhs voluntarily.

Particulars	For the year ended 31.03.2025
1) Jaypee University, Anoopshahr	300
2) Through Jaiprakash Sewa Sansthan (for promoting education)	187
3) Vishwakarma Udhogik Prashikshan Kendra Chitta	4
4) Dy. Commissioner Industry, Kanpur for National Flag Distribution	1
Total	492

l) **Details of Crypto Currency or Virtual Currency:**

The company has not dealt with crypto/virtual currency.

7. **Interest in Associates Companies.**

Set out below are the associates of the group as at 31st March 2025 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	49.72%	Associate	Equity Method
Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited) ceased to be the Associate Company w.e.f. 13.05.2024#	India		-	
# Unlisted entity- no quoted price available				
%age Share of Commitment and contingent liabilities in respect of above associates-NIL				

KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

Summarised Balance Sheet of Associates Companies

(Rs. in Lakhs)

Particulars	Resurgent India Food & Fuel Service Private Limited		Bharat Digital Education Private Limited (Erstwhile Quality Health And Education Private Limited)	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Cash & Cash Equivalents	643.16	500.87		863.60
Other Assets	49.18	226.56		21.51
Total Current Assets (A)	692.34	727.43		885.11
Total Non-Current Assets (B)	199.95	271.01		119.31
Current Financial Liabilities (Excluding trade payable & provisions)	422.12	256.04		13.15
Trade payable & provisions	23.82	60.74		10.61
Total Current liabilities (C)	445.94	316.78		23.76
Non Current Financial Liabilities (Excluding trade payable & provisions)	-	-		101.45
Trade payable & provisions	2.94	-		0.36
Total Non-Current Liabilities (D)	2.94	-		101.81
Net Assets (A+B-C-D)	443.41	681.65		878.85
Equity	443.41	681.65		878.85
Proportion of Company's ownership	49.72%	35.47%		50%
Carrying Amount of Investment	362.32	241.15		500.00
Revenue	1017.27	396.00		-
Other Income	29.66	11.83		33.91
Total Revenue	1046.93	407.83	Figures of current year are not provided as the Company has ceased to be the Associate Company w.e.f. 13.05.2024	33.91
Direct Expense	619.56	90.19		-
Depreciation & Amortisation	96.75	23.39		3.95
Employee Benefit Expense	166.72	68.06		20.82
Finance Cost	-	-		9.70
Other Expense	402.82	223.78		108.97
Total Expense	1285.85	405.42		143.44
Profit/ (Loss) before exceptional item and tax	(238.92)	2.41		(109.53)
Exceptional Item	-	-		-
Profit/ (Loss) before Tax	(238.92)	2.41		(109.53)
Tax Expense	(0.67)	0.67		3.11
Profit/ (Loss) before tax from continuing operations	(238.25)	1.74		(106.42)
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	(238.25)	1.74		(106.42)
Other Comprehensive Income	-	-		-
Total Income incl. Other Comprehensive Income	(238.25)	1.74		(106.42)
Share of profit/ (Loss) of the Company for the year	(118.45)	0.62		(53.21)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

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

(Manoj Kumar Vats)

Partner

M. No. 527922

Place: New Delhi

Dated : 12.05.2025

(Ritu Gupta)

Company Secretary

ACS-20334

(Ramesh Chand Sharma)

Jt. President & CFO

For and on behalf of the Board

(Manoj Gaur)

Chairman

DIN : 00008480

(Alok Gaur)

Jt. MD & CEO

DIN: 00112520

Salient Features of the Financial Statement of Associates as per Companies Act, 2013
Part "B" : Associates

Sl. No.	Name of the Associates	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 Income	Proposed Dividend (including Dividend Distribution Tax)	Rs. in Lakhs	
															% of Share holding *	
1	Resurgent India Food & Fuel Service Private Ltd.	CY	680	(237)	892	449	-	1,017	(239)	(1)	(238)	-	(238)	-	49.72%	
	(Became Associate Company w.e.f.125.08.2023)	PY	680	2	998	317	-	396	2	1	2	-	2	-	35.47%	
2	Bharat Digital Education Private Limited #	CY	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	
	(Became Associate Company w.e.f. 14.09.2023 & Ceased to be the Associate Company w.e.f 13.05.2024)	PY	1,000	(121)	1,004	126	-	34	(110)	(3)	(106)	-	-	-	50%	

CY: Current Year, PY: Previous Year

Figures of Current Year are not provided as the Company has ceased to be the Associate Company w.e.f. 13.05.2024.

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

(Manoj Kumar Vats)
Partner
M. No. 527922

Place: New Delhi
Dated : 12.05.2025

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

(Manoj Gaur)
Chairman
DIN : 00008480

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

For and on behalf of the Board

KANPUR FERTILIZERS & CHEMICALS LIMITED

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