SHARMA VATS & ASSOCIATES
CHARTERED ACCOUNTANTS

A-15/31, LGF, Vasant Vihar,
New Delhi - 110 057
Mob 9899003961, 9811803200
Email . sharmavatsassociates@gmail.com

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.

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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 – Parbati Bagla Road, Kanpur Land – 56 cantonment, Kanpur Road, Kanpur Land - Cee Kay Estate Udyog Vihar Industrial Area, Panki, 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

(d) The Company has not revalued its properties, plant and equipment; therefore, the Clause 3(i)(d) is not applicable.

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(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

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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)	F.Y	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	201.39	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.

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(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.

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(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 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-25527922BMLDVF1728

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Chartered Accountant

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Subsidy recognized as revenue and assessment of recovery of the amount due on account of Subsidy** 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. 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	**Our procedures included the following:** i. Understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivables. ii. Reviewed the Company's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 3 Statement of Material Accounting policies" in conformity with the provision of Ind AS on Government Grants. iii. Assessment of the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable. iv. Reviewed the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognized pursuant to changes in subsidy rates. v. We considered the relevant notifications/policies issued by various authorities to

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		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. vi. Reviewed and tested the aging of the related receivables and assessed the information used by the management to determine the recoverability of subsidy receivable by considering historical collection trends and the level of credit loss charged over time.

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

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

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

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

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

Responsibility of Management for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements 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.

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• 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 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 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.

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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

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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

SHARMA VATS & ASSOCIATES
New Delhi
Chartered Accountant

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.

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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

SHARMA VATS & ASSOCIATES
New Delhi
Chartered Accountant

(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

(Amount in Rs.)

Particulars	Note No	As on 31st March , 2025	As on 31st March, 2024
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	5,33,55,27,822	6,20,27,41,666
Capital Work in Progress	4.1	65,16,76,233	6,40,71,304
Financial Assets			
Investments	5	28,62,31,563	47,41,15,000
Other Financial Assets	6	24,03,58,446	19,73,97,643
Deferred Tax Assets (Net)	7	29,31,56,532	-
Other Non Current Assets	8	1,32,75,936	32,73,54,942
Sub Total Non Current Assets		**6,82,02,26,532**	**7,26,56,80,555**
Current Assets			
Inventories	9	75,65,40,074	1,05,26,13,886
Financial Assets			
Investments	10		10,46,96,641
Trade Receivable	11	66,63,98,070	2,88,08,61,734
Cash and Cash Equivalents	12	38,14,29,194	66,81,69,367
Bank Balance other than above	13	2,40,69,58,983	1,49,11,58,527
Other Financial Assets	14	2,50,45,77,753	2,23,45,88,113
Other Current Assets	15	86,40,71,512	90,55,48,197
Sub Total Current Assets		**7,57,99,75,586**	**9,33,76,36,465**
Grand Total Assets		**14,40,02,02,118**	**16,60,33,17,020**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	3,52,45,72,250	3,52,45,72,250
Other Equity	17	3,76,47,57,340	4,80,02,39,710
Sub Total Equity		**7,28,93,29,590**	**8,32,48,11,960**
Non Current Liabilities			
Financial Liabilities			
Borrowing		-	-
Other Financial Liabilities	18	17,66,88,971	16,61,87,023
Provisions	19	3,91,24,084	3,42,35,347
Deferred Tax Liabilities (Net)	7		20,37,97,739
Sub Total Non Current Liabilities		**21,58,13,055**	**40,42,20,109**
Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Trade payables	20		
Total outstanding dues of other than MSME		4,83,05,06,993	6,99,39,82,481
Total outstanding dues of MSME		3,91,73,387	3,72,90,279
Other Financial Liabilities	21	1,89,79,69,267	67,08,06,720
Other Current Liabilities	22	11,96,68,338	8,57,42,708
Provisions	23	77,41,486	77,19,866
Current Tax Liabilities(Net)	24	-	7,87,42,897
Sub Total Current Liabilities		**6,89,50,59,473**	**7,87,42,84,951**
Grand Total Equity and Liabilities		**14,40,02,02,118**	**16,60,33,17,020**

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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

(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 Profit and Loss for the Year Ended 31st March, 2025

(Amount in Rs.)

Particulars	Note No	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
Revenue From Operations	25	25,60,08,92,896	29,48,85,00,993
Other Income	26	66,34,24,319	21,55,44,685
Total Income		**26,26,43,17,215**	**29,70,40,45,678**
Expenses			
Cost of Materials Consumed	27	18,88,91,17,805	21,12,75,98,173
Purchases of Stock-in-Trade	28	20,62,80,230	49,38,51,660
Changes in Inventories of Finished Goods & Work-in-Progress	29	25,15,03,766	3,09,96,089
Employee Benefits Expense	30	61,87,77,584	59,02,60,744
Finance costs	31	56,03,65,429	24,79,61,031
Depreciation and amortization Expense	32	46,87,90,816	73,19,66,401
Other expenses	33	6,78,60,18,335	6,12,65,82,951
		27,78,08,53,965	**29,34,92,17,049**
Profit Before Exceptional Items and Tax		(1,51,65,36,750)	35,48,28,629
Exceptional Items (Net)	34	-	-
Profit before share of Profit/ Loss of Associate Co. and Tax		**(1,51,65,36,750)**	**35,48,28,629**
Tax Expense:			
(1) Current Tax		-	7,87,42,897
(2) Tax Paid for A.Y. 2024-25		30,06,553	19,10,268
(3) Excess MAT credit booked in earlier year, now reversed		-	55,09,552
(4) Mat Credit			25,17,02,814
(5) Deferred Tax		(49,24,48,824)	(11,83,00,571)
Total Tax Expenses		**(48,94,42,271)**	**21,95,64,960**
Profit/(Loss) for the Period		**(1,02,70,94,479)**	**13,52,63,669**
Other Comprehensive Income Items that will not be Reclassified to Profit or Loss			
A (i) Re measurement gains/ (losses) on defined benefit plans (net)		(3,30,700)	22,61,048
(ii) Income Tax		1,15,560	(7,90,101)
B. (i) Re-measurement gains/ (losses) on Investments (net)		(1,25,62,640)	1,95,44,213
(ii) Income Tax		43,89,889	(68,29,530)
Total Other Comprehensive Income		**(83,87,891)**	**1,41,85,630**
Total Comprehensive Income for the Period		**(1,03,54,82,370)**	**14,94,49,299**
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 and on behalf of the Board

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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

(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

Kanpur Fertilizers & Chemicals Limited
Standalone Cash Flow Statement For The Year Ended 31st March, 2025

(Amount in Rs.)

	Cash Flow Statement	2024-25	2023-24
A	**Cash Flows From Operating Activities**		
	Profit For the Year	(1,51,65,36,750)	35,48,28,620
	Adjustments For:		
	- Depreciation	46,87,90,816	73,19,66,401
	- Interest and Finance Charges	56,03,65,429	24,79,61,031
	- Sundry creditors written off	(89,38,346)	(5,36,11,187)
	- Profit on sale of fixed assets	(43,18,58,593)	(79,21,674)
	- Interest Income on Fixed Deposits	(22,00,92,411)	(14,20,41,196)
	- Other adjustments	1,49,79,547	1,50,85,890
	Operating Profit Before Working Capital Changes	**(1,13,32,90,308)**	**1,14,72,67,894**
	Adjustments for :		
	- (Increase) / Decrease in Inventories	29,60,73,812	(77,50,182)
	- (Increase) / Decrease in Trade Receivables	2,21,20,59,636	1,37,51,93,261
	- (Increase) / Decrease in Other Financial Assets	(25,23,22,297)	(44,51,26,632)
	- (Increase) / Decrease in Other Current Assets	2,64,97,142	(38,05,88,992)
	- Increase / (Decrease) in Trade Payables	(2,15,02,50,007)	(2,01,73,563)
	- Increase / (Decrease) in Other Current Liabilities	3,39,25,630	(19,44,80,697)
	- Increase / (Decrease) in Other Financial Liabilities and Provision	1,22,96,81,512	(27,27,92,275)
	- Change in Other Assets	5,85,20,755	10,42,773
	Cash Generated From Operations	**32,08,95,876**	**1,20,25,91,587**
	Income Tax Refund/ (Paid)	(8,17,49,450)	(5,34,35,440)
	Net Cash Flow Generated From Operating Activities	**23,91,46,426**	**1,14,91,56,147**
B	**Cash Flow From Investing Activities**		
	- Additions To PPE And Intangible Assets	(96,42,65,058)	(86,51,17,892)
	- Proceeds From Sale/ Disposal Of Property, Plant And Equipment	1,46,25,00,000	13,88,38,751
	- Interest Received	21,47,63,508	13,41,23,919
	- Investment In Fixed Deposit	(97,10,99,699)	(36,65,32,928)
	- Investment In Equity Instruments	25,13,50,558	(53,75,82,121)
	- Investment In Gold Bonds	4,12,29,520	(4,12,29,520)
	Net Cash Flows (Used In) Investing Activities	**3,44,78,829**	**(1,53,74,99,790)**
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	(56,03,65,429)	(24,79,61,031)
	Net Cash Flows (Used In)/ Generated From Financing Activities	**(56,03,65,429)**	**(24,79,61,031)**
	Net Change In Cash And Cash Equivalents (A+B+C)	(28,67,40,173)	(63,63,04,674)
	Cash And Cash Equivalents- Opening Balance	66,81,69,367	1,30,44,74,041
	Cash And Cash Equivalents- Closing Balance	**38,14,29,194**	**66,81,69,367**
	Notes To Cash Flow Statement:		
	Cash And Cash Equivalents Include :		
	Cash on Hand	5,34,266	1,53,780
	Balances with Banks	38,08,94,928	66,80,15,587
	Cash And Cash Equivalents At The End Of The Year [Refer Note No 12]	**38,14,29,194**	**66,81,69,367**

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

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

(Manoj Kumar Vats)
Partner
M. No. 527922

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

Place: New Delhi
Dated : 12-05-2025

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

Kanpur Fertilizers & Chemicals Limited

Standalone Statement of Changes in Equity For the Year Ended 31st March, 2025

Equity	
Particulars	
a. Equity share capital	**(Amount in Rs.)**
Balance as at 31st March, 2024	3,52,45,72,250
Equity Share Issued During the period	-
Balance as at 31st March, 2025	3,52,45,72,250

Other Equity

(Amount in Rs.)

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	-	4,23,82,50,000	52,77,23,242	3,42,66,468	4,80,02,39,710
Profit For the Year	-	-	(1,02,70,94,479)	-	(1,02,70,94,479)
Remeasurement of Defined Benefit Liability(Net of Tax)	-	-	-	(83,87,891)	(83,87,891)
Changes During The Year	-	-	-	-	
Balance as at 31st March, 2025	-	4,23,82,50,000	(49,93,71,237)	2,58,78,577	3,76,47,57,340

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

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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

(Manoj Kumar Vats)
Partner
M. No. 527922

Place: New Delhi
Dated : 12-05-2025

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Ritu Gupta)
Company Secretary
ACS-20334

(Ramesh Chand Sharma)
Jt. President & CFO

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

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 Polices

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.

SHARMA VATS & ASSOCIATES * New Delhi * Chartered Accountants

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.

SHARMA VATS & ASSOCIATES * New Delhi * Chartered Accountants

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.

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New Delhi
Chartered Accountants

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 then 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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

- 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.

SHARMA VATS & ASSOCIATES
New Delhi
Chartered Accountant

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:

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

- 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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

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

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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

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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.

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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

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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

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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.

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q. Financial Instrument

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

Financial asset is any assets that is

- Cash;
- An equity instrument of another entity;
- A contractual right:
  i. To receive cash or another financial asset from another entity; or
  ii. To exchange financial assets or financial liabilities with another entity under conditions that arepotentially favorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  i. A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  ii. A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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

Financial Liability is any liabilities that is

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

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

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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

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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.

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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

SHARMA & ASSOCIATES New Delhi Chartered Accountants 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.

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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.

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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.

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Kanpur Fertilizers & Chemicals Limited

Notes to the Standalone Financial Statements for the Year Ended 31st March, 2025

NOTE No. "4"

Property Plant & Equipment

(Amount in Rs.)

Particulars	Lease hold land	Free Hold land	Building	Plant & Machinery	EDP Machine	Furniture & Fittings	Office Equipments	AC & coolers	Refig.& Water Cooler	Television/ Cinematography	Stores & Spares	Vehicles	Total
Gross Block													
As at 31st March, 2024	2,43,43,87,000	-	1,71,01,53,516	8,88,42,35,550	11,02,09,310	4,07,28,197	19,42,930	1,93,85,486	22,41,045	1,23,73,616	4,23,41,229	4,61,94,286	13,30,41,92,164
Additions		31,60,06,060	10,77,45,504	13,04,64,171	1,46,73,549	75,91,513	-	22,44,389	1,03,898			3,38,37,104	61,40,66,189
Disposals/Discard			1,00,91,41,974				92,100					3,14,07,325	1,04,06,41,398
As at 31st March, 2025	2,43,43,87,000	31,60,06,060	80,87,57,046	9,01,46,99,721	12,48,82,859	4,83,19,710	18,50,830	2,16,29,875	23,44,943	1,23,73,616	4,23,41,229	4,86,24,065	12,87,62,16,954
Accumulated Depreciation													
As at 31st March, 2024	-	-	30,72,43,194	6,61,31,38,712	7,15,95,852	3,36,85,336	10,86,335	1,55,24,708	13,78,731	89,33,494	2,77,57,025	2,11,07,111	7,10,14,50,498
Charge for the year			3,53,50,345	40,72,71,886	1,22,94,633	22,63,146	24,622	15,49,230	2,00,926	5,56,004	28,22,748	64,37,277	46,87,90,817
Disposals/Discard			2,71,17,312				79,933					23,84,938	2,95,52,183
As at 31st March 2025	-		31,54,76,227	7,02,04,10,598	8,38,90,484	3,59,48,482	10,31,024	1,70,73,938	15,79,657	94,89,498	3,05,79,773	2,52,09,451	7,54,06,89,132
Net Block [As at 31st March, 2024]	2,43,43,87,000	-	1,40,29,10,322	2,27,10,96,838	3,86,13,458	70,42,861	8,56,595	38,60,778	8,62,314	34,40,122	1,45,84,204	2,50,87,175	6,20,27,41,666
Net Block [As at 31st March, 2025]	2,43,43,87,000	31,60,06,060	49,32,80,819	1,99,42,89,123	4,09,92,375	1,23,71,228	8,19,806	45,55,937	7,65,286	28,84,118	1,17,61,456	2,34,14,615	5,33,55,27,822

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NOTE 4.1 Capital Work-in-Progress

(a) CWIP Ageing Schedule as on 31.03.2025

(Amount in Rs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Nano Urea Project	65,16,76,233	-	-	-	65,16,76,233
Total	**65,16,76,233**	**-**	**-**	**-**	**65,16,76,233**

(c) 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	6,40,71,304	-	-	-	6,40,71,304
Total	**6,40,71,304**	**-**	**-**	**-**	**6,40,71,304**

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(Amount in Rs.)

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

NOTE No. "5"

Investments	As on 31st March, 2025		As on 31st March, 2024	
a. Investments in Equity Instruments	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Investment in equity shares of Associate Company (at cost) Unquoted, Fully				
Resurgent India Food & Fuel Private Limited	33,80,825	3,62,31,563	24,11,500	2,41,15,000
Bharat Digital Education Private Limited (Formerly known as Quality Health &	-		50,00,000	5,00,00,000
Total		**3,62,31,563**		**7,41,15,000**
b. Investment in 9% Secured Non Convertible Debentures Unquoted Fully Paidup	**No. of Debentures**	**Amount Rs.**	**No. of Debentures**	**Amount Rs.**
Bimalavaputra Aviation Limited	1,000	10,00,00,000	1,000	10,00,00,000
JIL IT	1,500	15,00,00,000	3,000	30,00,00,000
Total		25,00,00,000		40,00,00,000
Grand Total		28,62,31,563		47,41,15,000

	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	5,65,63,211	12,63,968
Security Deposit	16,16,02,645	16,15,52,552
Other Receivables	2,21,92,590	3,45,81,123
Total	24,03,58,446	19,73,97,643
NOTE No. "7"		
Deferred Tax Assets		
Provision for Leave encashment ,Gratuity & Bonus	1,63,76,705	1,46,60,830
Unabsorbed Depreciation & Business Losses	46,71,29,797	
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	(19,03,49,970)	(21,84,58,569)
Net Deferred Tax Assets/Liabilty	29,31,56,532	(20,37,97,739)
MAT Credit Entitlement	-	
Total	29,31,56,532	(20,37,97,739)

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	(21,84,58,569)	2,81,08,599	-	(19,03,49,970)
Provision for Leave encashment ,Gratuity & Bonus	1,46,60,830	16,00,315	1,15,560	1,63,76,705
Unabsorbed Depreciation & Business Losses	-	46,71,29,797		46,71,29,797
Net Deferred Tax Assets/(Liabilities)	**(20,37,97,739)**	**49,68,38,711**	**1,15,560**	**29,31,56,531**

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	(32,74,07,223)	10,89,48,654	-	(21,84,58,569)
Provision for Leave encashment & Gratuity	1,29,28,543	25,22,387	(7,90,101)	1,46,60,830
Unabsorbed Depreciation & Business Losses	-	-	-	-
Net Deferred Tax Assets/(Liabilities)	**(31,44,78,681)**	**11,14,71,041**	**(7,90,101)**	**(20,37,97,739)**

	As on 31st March, 2025	As on 31st March, 2024
NOTE No. "8"		
Other Non-Current Assets		
Prepaid Expenses	2,44,660	3,41,998
Tax Assets (Net)		
Advance Tax	1,30,31,276	7,14,54,693
Capital Advance		
Advance for Land & Building	-	25,55,58,251
Total	1,32,75,936	32,73,54,942
NOTE No. "9"		
Inventories		
Raw Materials-Urea	2,54,47,516	7,46,77,954
Raw Materials-Nano Urea	47,40,713	
Work in Progress	13,16,05,592	18,35,93,744
Finished Goods	15,09,00,145	3,16,55,377
Finished Goods In Transit	-	31,87,60,381
Stores & Spares	41,26,71,934	38,35,58,025
Stores & Spares in Transit	-	47,34,229
Catalyst	3,11,74,174	3,56,34,176
Total	75,65,40,074	105,26,13,886

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(Amount in Rs.)

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

NOTE No. '10'

Investments	As on 31st March, 2025		As on 31st March, 2024	
a. Investments in Equity Shares Quoted				
Fully Paidup	**No. of Shares**	**Amount Rs.**	**No. of Shares**	**Amount Rs.**
Apollo Hospitals Enterprise Limited	-	-	400	25,42,720
Axis Bank Limited	-	-	1,000	10,47,200
Bharat Dynamics Limited	-	-	1,000	17,51,900
Bharat Electronics Limited	-	-	2,000	4,03,000
BEML Limited	-	-	1,000	31,83,700
Dalmia Bharat Limited	-	-	1,000	19,42,150
Data Patterns (India) Limited	-	-	300	7,26,600
Devyani International Limited	-	-	9,000	13,54,050
HDFC Bank Limited	-	-	800	11,58,320
ICICI Bank Limited	-	-	3,500	38,26,550
Indian Railway Catering and Tourism Corporation Limited	-	-	1,500	13,94,550
ITC Limited	-	-	5,500	23,55,925
Larsen and Toubro Limited	-	-	3,000	1,12,91,700
Paras Defence and Space Technologies Limited	-	-	700	4,28,260
Reliance Industries Limited	-	-	3,680	1,09,35,856
JIO Financial Services Limited	-	-	6,880	24,33,800
SBI Life Insurance Company Limited	-	-	1,000	15,00,500
TATA Communications Limited	-	-	1,000	20,10,400
Tata Consultancy Services Limited	-	-	300	11,62,800
Tejas Networks Limited	-	-	1,500	9,84,600
Tata Teleservices (Maharashtra) Limited	-	-	10,000	7,40,000
Ultratech Cement Limited	-	-	1,000	97,49,150
Vedanta Limited	-	-	2,000	5,43,300
Total		-		**6,34,67,121**
b. Other Investment	**No. of Shares**	**Amount Rs.**	**No. of Shares**	**Amount Rs.**
Gold Bonds Quoted				
Government of India SGB 19MY 28S II 2.50 FV Rs. 4590	-	-	2,000	1,29,24,520
Nippon India Mutual Fund ETF Gold BeES	-	-	5,00,000	2,83,05,000
Total		-		**4,12,29,520**
Grand Total		-		**10,46,96,641**

NOTE No. '11'

Trade Receivables	As on 31st March, 2025	As on 31st March, 2024
Others (Unsecured, Considered Good)	72,26,57,882	2,93,71,21,546
Less : Provision for Bad & Doubtful Debts	5,62,59,812	5,62,59,812
Total	66,63,98,070	2,88,08,61,734

Ageing analysis of trade receivables as on 31.03.2025

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	65,99,08,072	-	-	-	-	65,99,08,072
b) Undisputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
c) Undisputed Trade receivables- Credit Impaired	-	-	-	-	-	-
d) Disputed Trade receivables- Considered Good	-	-	-	-	64,89,998	64,89,998
e) Disputed Trade receivables- Considered Doubtful	-	-	-	-	-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	-
Total	65,99,08,072	-	-	-	64,89,998	66,63,98,070

Ageing analysis of trade receivables as on 31.03.2024

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	2,87,43,71,736				-	2,87,43,71,736
b) Undisputed Trade receivables- Considered Doubtful	-				-	
c) Undisputed Trade receivables- Credit Impaired						-
d) Disputed Trade receivables- Considered Good	-	-	-		64,89,998	64,89,998
e) Disputed Trade receivables- Considered Doubtful					-	-
f) Disputed Trade receivables- Credit Impaired	-	-	-	-	-	
Total	2,87,43,71,736	-	-		64,89,998	2,88,08,61,734

NOTE No. '12'

Cash and Cash Equivalents	As on 31st March, 2025	As on 31st March, 2024
Balance with Banks	37,98,94,928	7,92,05,060
Term Deposit Account with Maturity of Less Than Three Months	-	6,11,72,190
Term Deposit Account with Maturity of Less Than Three Months pledged as margin with banks against LC/BGs	10,00,000	52,76,38,137
Cash in Hand	5,34,266	1,53,780
Total	38,14,29,194	66,81,69,167

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(Amount in Rs.)

Particulars	As on 31st March, 2025	As on 31st March, 2024
NOTE No. "13"		
Other Bank Balances		
Deposits with Maturity for more than 3 months but Less than 12 months	2,90,61,729	95,37,20,000
Deposits with Maturity for more than 3 months but Less than 12 months pledged as margin with banks against LC/BGs	2,37,78,97,254	49,74,38,527
Total	2,40,69,58,983	1,45,11,58,527
NOTE No. "14"		
Other Financial Assets		
Accrued Interest Receivable	2,31,05,339	1,77,76,436
Other Receivables	6,26,89,603	76,95,119
Related Party	2,41,87,82,811	2,20,92,06,558
Total	2,50,45,77,753	2,23,45,88,113
NOTE No. "15"		
Other Current Assets		
Prepaid Expenses	1,33,33,068	1,19,07,166
Advances to Vendors	3,72,76,552	13,34,92,734
GST Refund Receivable	2,77,38,719	4,02,69,431
GST/VAT Receivable	73,23,34,692	60,84,24,730
Investment in Gold Bars		2,74,40,000
TDS & Advance Taxes	5,33,88,481	8,40,14,136
Total	86,40,71,512	90,55,48,197

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(Amount in Rs.)

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	8,25,00,00,000	8,25,00,00,000
Preference Share Capital		
35,00,00,000 (Previous period 35,00,00,000) Convertible Preference Shares of Rs. 10/- each	3,50,00,00,000	3,50,00,00,000
2,50,00,000 (Previous period 2,50,00,000) Cumulative Redeemable Preference Shares of Rs. 10/ each	25,00,00,000	25,00,00,000
Total	12,00,00,00,000	12,00,00,00,000
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	3,52,45,72,250	3,52,45,72,250

Details of Shareholders Having More than 5% Shares	% of Shares	As on 31st March, 2025	% of Shares	As on 31st March, 2024
Equity Shares				
Jaypee Uttar Bharat Vikas Private Limited	56.76%	20,00,50,000	56.76%	20,00,50,000
Jaypee Fertilizers & Industries Limited	36.03%	12,69,82,549	36.03%	12,69,82,549
Mahabhadra Constructions Limited	7.09%	2,50,00,000	7.09%	2,50,00,000

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	20,00,50,000	56.76%	-	20,00,50,000	56.76%	-
Acquired/Converted during the year	-	-		-	-	
Closing Balance	20,00,50,000	56.76%	-	20,00,50,000	56.76%	-
Jaypee Fertilizers & Industries Limited						
Opening Balance	12,69,82,549	36.03%	-	12,69,82,549	36.03%	
Acquired/Converted during the year	-	-				
Closing Balance	12,69,82,549	36.03%	-	12,69,82,549	36.03%	-
Mahabhadra Constructions Limited						
Opening Balance	2,50,00,000	7.09%	-	2,50,00,000	7.09%	
Acquired/Converted during the year	-	-		-	-	-
Closing Balance	2,50,00,000	7.09%	-	2,50,00,000	7.09%	-

Reconciliation of No. of Shares Outstanding	As on 31st March, 2025	As on 31st March, 2024
Equity Share		
Equity Shares Outstanding at the Beginning of the Year	35,24,57,225	35,24,57,225
Equity Shares Issued During the Year	-	-
Outstanding at the End of the Year	35,24,57,225	35,24,57,225

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.

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Kanpur Fertilizers & Chemicals Limited

Notes to the Standalone Financial Statements for the Year Ended 31st March, 2025

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	52,77,23,242	39,24,59,573
Profit / (Loss) for the year	(1,02,70,94,479)	13,52,63,669
Closing Balance	(49,93,71,237)	52,77,23,242
(b) Security Premium Reserve		
Opening Balance	4,23,82,50,000	4,23,82,50,000
Addition during the Year		
Closing Balance	4,23,82,50,000	4,23,82,50,000
Total Reserve & Surplus	3,73,88,78,763	4,76,59,73,242
(ii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	3,42,66,468	2,00,80,838
Addition/Deduction during the Year	(83,87,891)	1,41,85,630
Closing Balance	2,58,78,577	3,42,66,468
Total Other Equity	3,76,47,57,340	4,80,02,39,710

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(Amount in Rs.)

Particulars	As on 31st March, 2025	As on 31st March, 2024
NOTE No. "18"	**As on 31st March, 2025**	**As on 31st March, 2024**
Other Financial Liabilities		
Security and Other Deposits	17,66,88,971	16,61,87,023
Total	17,66,88,971	16,61,87,023
NOTE No. "19"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	2,36,79,527	1,94,56,512
Leave Encashment	1,54,44,557	1,47,78,835
Total	3,91,24,084	3,42,35,347
NOTE No. "20"		
Trade Payables		
Others	4,83,05,06,993	6,99,39,82,481
Micro Small Medium Enterprises	3,91,73,387	3,72,90,279
Total	4,86,96,80,380	7,03,12,72,760
Details relating to Micro, Small and Medium Enterprises is as under -		
a) Principal amount	3,91,73,387	3,72,90,279
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 succeding years, until such date when the the interest is actually paid	Nil	Nil

Ageing analysis of trade payable as on 31.03.2025

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	3,91,73,387	-		-	3,91,73,387
b) Others	4,82,60,14,166	22,30,517	2,38,334	20,23,976	4,83,05,06,993
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**4,86,51,87,553**	**22,30,517**	**2,38,334**	**20,23,976**	**4,86,96,80,380**

* MSME Dues are less than 45 days

Ageing analysis of trade payable as on 31.03.2024

Particulars	Less Then 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
a) MSME	3,72,90,279		-		3,72,90,279
b) Others	6,98,91,81,352	23,80,205	1,82,618	22,38,305	6,99,39,82,481
c) Disputed dues- MSME					
d) Disputed dues- Others					
Total	**7,02,64,71,631**	**23,80,205**	**1,82,618**	**22,38,305**	**7,03,12,72,760**

* MSME Dues are less than 45 days

NOTE No. "21"	**As on 31st March, 2025**	**As on 31st March, 2024**
Other Financial Liabilities		
Payable on Account of Employees	5,76,79,364	5,29,33,261
Security and Other Deposits	87,80,017	1,42,47,357
Amount Payable to Related Parties	13,75,360	68,64,606
Other Payable	1,83,01,34,526	59,67,61,496
Total	1,89,79,69,267	67,08,06,720
NOTE No. "22"		
Other Current Liabilities		
Statutory Taxes and Dues	4,69,63,287	4,36,97,379
Advance Received from Customers	7,27,05,051	4,20,45,329
Total	11,96,68,338	8,57,42,708
NOTE No. "23"		
Provisions		
Gratuity	21,28,815	31,71,523
Leave Encashment	56,12,671	45,48,343
Total	77,41,486	77,19,866
NOTE No. "24"		
Current Tax Liability		
Provision for Income Tax	-	7,87,42,897
Total	-	7,87,42,897

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Kanpur Fertilizers & Chemicals Limited
Notes to the Standalone Financial Statements for the Year Ended 31st March, 2025

(Amount In Rs.)

Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "25"		
Revenue from Operation		
Sale of Products		
Urea Sale	3,28,16,71,074	3,59,43,94,476
Govt Subsidy- Urea	20,35,05,99,161	23,66,89,85,946
GAIL Subsidy- Gas pool	1,68,70,34,319	1,49,79,42,861
Sale-Flyash	1,18,09,022	1,32,33,570
	25,33,11,13,576	**28,77,45,56,853**
Other Operating Revenue		
Sale -Traded Product	23,62,20,830	58,65,89,435
Ammonia Sale	3,35,58,490	12,73,54,705
	26,97,79,320	**71,39,44,140**
Total	**25,60,08,92,896**	**29,48,85,00,993**
NOTE No. "26"		
Other Income		
Interest Income	22,00,92,411	14,20,41,196
Insurance Claim Received	1,30,573	47,10,233
Misc Receipts	1,13,42,742	6,08,71,582
Profit/(Loss) on Sale/Discarding of Fixed Assets	43,18,58,593	79,21,674
Total	**66,34,24,319**	**21,55,44,685**
NOTE No. "27"		
Cost of material Consumed		
Raw Materials Consumed-Urea	18,19,63,34,426	20,18,77,17,133
Coal Consumed	41,22,27,721	63,98,22,390
Bags Consumed	28,05,55,658	30,00,58,650
Total	**18,88,91,17,805**	**21,12,75,98,173**
NOTE No. "28"		
Purchases of Stock-in-Trade		
Wheat seed	19,25,53,060	24,97,47,376
Calcium Nitrate	-	1,90,54,704
Zyme	1,20,33,170	10,78,45,717
Micro Nutrient	-	4,43,70,155
Sulphur	-	3,43,94,605
Zinc Sulphate	-	28,39,350
City Compost	16,94,000	26,94,155
Ferrous Sulphate	-	2,74,68,856
Others	-	54,36,742
Total	**20,62,80,230**	**49,38,51,660**

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Kanpur Fertilizers & Chemicals Limited
Notes to the Standalone Financial Statements for the Year Ended 31st March, 2025

(Amount In Rs.)

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	18,35,93,744	15,27,72,553
Finished Goods	35,04,15,759	41,22,33,039
	53,40,09,503	**56,50,05,592**
Closing Stock		
Work-in-Progress	13,16,05,592	18,35,93,744
Finished Goods	15,09,00,145	35,04,15,759
	28,25,05,737	**53,40,09,503**
Total	**25,15,03,766**	**3,09,96,089**
NOTE No. "30"		
Employee Benefit Expense		
Salaries and Wages	59,01,91,494	55,85,89,135
Contribution to Provident and Other Funds	2,05,65,539	1,96,52,576
Gratuity	58,23,227	97,48,775
Staff Welfare	21,97,324	22,70,258
Total	**61,87,77,584**	**59,02,60,744**
NOTE No. "31"		
Finance Cost		
Interest to Others	55,20,95,429	24,79,61,031
Financial Charges	82,70,000	-
Total	**56,03,65,429**	**24,79,61,031**
NOTE No. "32"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	46,87,90,816	73,19,66,401
Total	**46,87,90,816**	**73,19,66,401**

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Kanpur Fertilizers & Chemicals Limited

Notes to the Standalone Financial Statements for the Year Ended 31st March, 2025

(Amount In Rs.)

Particulars	Year Ended 31.03.2025 (Audited)	Year Ended 31.03.2024 (Audited)
NOTE No. "33"		
Other expenses		
Repairs & Maintenance - Others	15,11,70,599	2,48,16,773
Electricity Charges	4,00,21,75,135	3,95,61,36,348
Store and Spares Consumed	16,48,57,776	23,91,00,268
Repairs & Maintenance - Plant	16,78,01,786	18,17,72,278
Directors' Meeting Fee	38,80,000	35,60,000
Commission to Non-executive Directors	2,30,00,000	2,62,62,000
Insurance	1,59,80,143	2,30,60,270
Rates & Taxes	1,25,66,913	3,09,07,972
Loading & Unloading Charges	11,99,52,230	12,26,62,174
Travelling & Conveyance Expenses	3,26,70,841	3,07,84,180
Corporate Social Responsibility	4,91,50,000	42,67,000
Vehicle Running & Hiring Charges	2,79,21,893	2,48,87,201
Freight & Octroi Expenses	54,26,41,003	63,10,76,176
Advertising and Sales Promotion	49,87,39,443	6,98,51,309
Legal & Professional	64,55,16,975	34,88,37,470
Bank Charges & LC/BG Commission	24,68,413	63,87,552
Safety & Security	4,01,40,953	3,35,36,289
Donation & Charity	62,21,000	30,00,21,000
Horticulture and Gardening	28,32,808	48,66,993
Auditors Remuneration* (*) please refer details below	25,25,000	27,52,183
Fair value of Financial Liability at amortised cost	1,25,51,949	1,17,56,216
R & D Expenses	22,00,00,000	31,00,000
Miscellaneous Expenses	4,12,53,475	4,61,81,299
Total	**6,78,60,18,335**	**6,12,65,82,951**
NOTE No. "34"		
Exceptional Items (Net)		
	-	-

(*) Auditors Remuneration

Particulars	For Period ended 31.03.2025	For year ended 31.03.2024
Audit Fees(Including LR Fees#)	8,25,000	8,25,000
Tax Audit Fees	3,00,000	3,00,000
Cost Audit Fees	3,00,000	3,00,000
Internal Audit Fees	7,50,000	7,50,000
Secretrial Audit Fee	75,000	75,000
Management Audit Fees	2,50,000	2,50,000
Audit Expenses	25,000	2,52,183
Total	**25,25,000**	**27,52,183**

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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

(Amount in Rs.)

	March 31, 2025	March 31, 2024
Current tax expense		
Current year	-	7,87,42,897
MAT Credit	-	25,17,02,814
Adjustment for prior periods	30,06,553	74,19,820
	30,06,553	33,78,65,531
Deferred tax expense		
Origination and reversal of temporary	(49,24,48,824)	(11,83,00,571)
Reduction in tax rate		
	(49,24,48,824)	(11,83,00,571)
Total income tax expense	**(48,94,42,271)**	**21,95,64,960**

ii) Income tax recognised in other comprehensive income

(Amount in Rs.)

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	(3,30,700)	1,15,560	(2,15,140)	22,61,048	(7,90,101)	14,70,947
- Net gains/(losses) on Investments	(1,25,62,640)	43,89,889	(81,72,751)	1,95,44,213	(68,29,530)	1,27,14,683
	(1,28,93,340)	**45,05,449**	**(83,87,891)**	**2,18,05,261**	**(76,19,630)**	**1,41,85,631**

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

(Amount in Rs.)

Particulars	March 31, 2025	March 31, 2024
Accounting Profit/(Loss) before tax expense	(1,51,65,36,750)	35,48,28,629
Enacted tax rate	34.944%	34.944%
Taxed at India Statutory Tax Rates	**(52,99,38,602)**	**12,39,91,316**
Tax Effect of:-		
Non-Deductible Expenses	3,62,91,729	12,37,91,604
Non-Taxable Incomes	(15,36,47,959)	(54,95,745)
Expenses disallowed earlier now allowed as per Income Tax Act,1961	**(53,32,484)**	**(61,17,905)**
Impact of Depreciation as per Income Tax Act,1961	**4,16,73,852**	**11,16,68,320**
Carry Forward of Income Tax Losses for current year	**61,09,53,465**	**(34,78,37,591)**
Current tax of Prior Period	-	-
Deffered Tax Impact	**(49,69,54,273)**	**(11,06,80,941)**
Tax Expenses	**(49,69,54,273)**	**(11,06,80,941)**

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

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

Basic and diluted earnings per share

	Mar 31st, 2025		Mar 31st, 2024
Basic earnings per share (Refer footnote a & b)	(2.94)		0.42
Diluted eanings per share	(2.94)		0.42
Nominal value per share	10.00		10.00
(a) Profit attributable to equity shareholders			
Profit for the year	(1,03,54,82,370)		14,94,49,299
Profit attributable to equity shareholders	**(1,03,54,82,370)**		**14,94,49,299**
(b) Weighted average number of equity shares (Nos)			
Opening balance of issued equity shares	35,24,57,225		35,24,57,225
Effect of shares issued during the year, if any	-		-
Weighted average number of equity shares	**35,24,57,225**		**35,24,57,225**
(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	-		-
Effect of shares Convertible during the year, if any	-		-
Weighted average number of Convertible	-		-
Weighted average number of equity shares	**35,24,57,225**		**35,24,57,225**

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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 recognised 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:

(Amount in Rs.)

Particulars	As at 31.03.2025	As at 31.03.2024
Net defined benefit Obligation :		
Gratuity (funded)	29,73,620	53,93,650
Total	**29,73,620**	**53,93,650**

Total employee benefit obligation	As at 31.03.2025	As at 31.03.2024
Non current	2,36,79,527	1,94,86,512
Current	21,28,815	31,41,523
Total	**2,58,08,342**	**2,26,28,035**

Movement in net defined benefit obligation for the year

Particulars	As at 31.03.2025	As at 31.03.2024
Present Value of Obligation as at the beginning of Period	2,26,28,035	2,05,33,458
Interest Cost	16,33,744	15,11,799
Service Cost	41,89,483	37,15,380
Past service cost including curtailment Gains/Losses	-	-
Benefit Paid	29,73,620	53,93,650
Total Actuarial (Gains)/Loss on obligation	3,30,700	22,61,048
Total Service Cost to be recognised in Statement of Profit & Loss A/C	**2,58,08,342**	**2,26,28,035**

Included in OCI

Particulars	As at 31.03.2025	As at 31.03.2024
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	-	
Financial Assumptions	4,34,267	2,24,615
Experience Adjustment	-1,03,567	20,36,433
Total Amount Recognised in OCI	**3,30,700**	**22,61,048**

D. Defined benefit obligations
i. Actuarial assumptions

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

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	3%	3%
From 31 to 44	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.

(Amount in Rs.)

Particulars	31.03.2025		31.03.2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(9,55,456)	10,07,420	(7,91,211)	8,51,866
Expected return on plan assets (1% movement)				
Gratuity				
Salary escalation rate (0.50% movement)	10,32,364	(9,85,880)	8,34,982	(8,18,594)

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

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

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

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

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

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

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

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

(Amount in Rs.)

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
31st March 2025							
Gratuity	21,28,815	38,91,329	15,77,388	17,06,172	17,37,177	12,61,779	1,35,05,491
Total	21,28,815	38,91,329	15,77,388	17,06,172	17,37,177	12,61,779	1,35,05,491

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

Particulars	As at 31.03.2025	As at 31.03.2024
Gratuity	13,19,500	15,18,000

(iii) Other long term employee benefit plans

Leave
The Company provides for earned leave benefit to the employees of the Company which accrue annually 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.**

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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 31st 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**

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

(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 Udhyogik 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**

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

Amount in Rs.

Particulars	**2024-25**	**2023-24**
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt	1,95,040	10,59,590
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt#.	3,85,48,813	3,56,08,824
Amount deposited under protest.	68,45,361	57,16,231
c) Legal claims against Civil/Labour Court Cases	11,73,21,005	11,74,91,719
d) Stamp Duty (U/s 47 of Stamp Act)	-	42,22,94,272
e) Outstanding Balances of Bank Guarantees	6,54,51,509	6,52,31,509
Margin Money deposited against the above	7,16,70,528	6,53,24,403
f) Outstanding Standby Letters of Credit	230,00,00,000	90,00,00,000
Margin Money deposited against the above	236,01,33,956	95,65,93,929
e) Capital Commitments: Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)##	68,00,00,000	-

(#) 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.

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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. JaiprakashAgri 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 their Security Trustee- Vistra ITCL (India) Limited (VISTRA). On 10.03.2023 the aforesaid pledged were invoked by

Lenders through their Security Trustee (VISTRA) due to continuing default in debt servicing and shares transferred from demat account of JIL to Vistra. Accordingly, the beneficial ownership and right to possession of aforesaid shares vest with respective lenders till the repayment of debt by the Company. Subsequently, JIL had made a disclosure dated 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 ownedsubsidiary 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 Directorw.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

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

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

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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 : **(Amount in Rs.)**

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			17,88,900	15,32,97,423	15,15,08,523
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimbursement Towards Expenses	-	-	22,800	1,65,887	1,43,087
Jaiprakash Associates Limited	Guiding Company	Hotel Services	26,931	4,23,559	7,20,00,000	1,50,66,40,478	1,84,36,48,694
		Flat Maintenance Charges	3,56,162	-			
		Rent Recieved Flats	6,65,418	-			
		Rent Paid	6,00,300				
		Flat & land Purchased	19,60,06,061	23,60,06,060			
		Purchase of Service	6,15,69,292	24,14,22,450			
Jaypee Power Ventures Ltd	Fellow Subsidiary Company	Flat Sale	9,75,00,000	-		-	-
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Interest Received on NCD	90,00,000			-	
		Helicopter & Aeroplane hire Charges	1,26,70,000	1,20,80,000	1,45,81,200	12,76,000	-11,60,000
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	3,36,31,494	3,12,74,092	18,90,51,479	10,34,99,704	3004606
		Flat Sale	10,15,00,000	-			
		Purchase of Service	3,75,00,000	-			
JIL Information Technology Ltd	Associate Company	Manpower Supply	3,13,40,510	1,51,18,577	62,57,48,622	53,56,77,912	16,40,11,263
		Assets Purchased	2,03,50,000	3,14,35,799			
		Flat Puchased	2,44,95,433	29,50,00,000			
		Flat Sale	15,50,00,000				
		Interest Reecvied on NCD	25,33,562	-			
		Purchase of Various Goods	27,04,43,983	58,80,748			
Resurgent India Food & Fuel Service (P) Ltd	Associate Company	Purchase of Service	1,00,00,000	4,00,00,000	1,09,86,792	9,244	
Jaypee Infra Venture Pvt Ltd	Associate Company	Purchase of Service	18,00,00,000	2,25,00,000	16,44,50,000	-	27,00,000
Jaypee Cement Corporation Ltd	Associate Company	Purchase of AC Sheets	1,94,832	-	3,40,00,000	6,37,61,440	2,99,91,340
Gaur & Nagi Limited	Associate Company	Flat Sale	2,00,00,000				
		Market Research of new Products	30,08,22,030	10,34,602	30,76,87,266	-99,360	1,99,03,651
Bhilai Jaypee Cement	Associate Company	Purchase of Machinery/ Assets	1,77,00,000		7,32,94,359	5,57,30,723	
Total						**2,41,74,07,451**	**2,20,23,41,952**

Note : In above transactions details includes provisional expenses of JIL-IT Rs. 17,30,53,268.00

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Kanpur Fertilizers & Chemicals Limited
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	**Amount (Rs.)**		**Payable / Credit Balance of Related party as at 31st March,2025**	**Amount (Rs.)**
Jaypee Fertilizers & Industries Limited	15,32,97,423		Himalayaputra Aviation Limited	(12,76,000)
JIL Information Technology Ltd	53,56,77,912		Gaur & Nagi Limited	(99,360)
Jaypee Uttar Bharat Vikas Private Limited	1,65,887			
Resurgent India Food & Fuel Service (P) Ltd	9,244			
Jaypee Infra Venture Pvt Ltd				
Mahabhadra Constructions Ltd	10,34,99,704			
BHILAI JAYPEE CEMENT LTD	5,57,30,723			
Jaiprakash Associates Limited	1,50,66,40,478			
Jaypee Cement Corporation Ltd.	6,37,61,440			
Total	**2,41,87,82,811**		**Total**	**13,75,360**

Name of Related Party	**Relationship**	**Nature of Transcation**	**Transcation 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	1,90,00,000	2,01,00,000		
Alok Gaur	WTD & CEO	Short term employee benefit	-	-	-18,80,584	-3,10,596
		Salary	1,68,56,910	1,62,67,780		
		Arrear of Salary		53,08,000		
		Managerial Remuneration	15,00,000	-		
S.D.Nailwal	Non Executive Director	Commission	12,50,000	20,00,000		
Sunita Joshi	Non Executive Director	Commission	7,50,000	10,00,000		
S C K Patne	Independent Director	Commission	-	10,00,000		
Anil Mohan	Non Executive Director	Commission	3,00,000	5,00,000		
K V Rajendran	Independent Director	Commission	3,00,000	5,00,000		
Ajit Kumar	Director	Advisory Fees	27,00,000	27,00,000	2,43,000	-2,43,000
		Commission	3,00,000	3,00,000		
Devinder Singh Ahuja	Director	Advisory Fees	68,16,000	69,84,000	-	-5,70,240
		Commission	5,00,000	3,00,000		
N K Grover	Independent Director	Commission	3,00,000	2,81,000		
Vinod Sharma	Director	Commission	3,00,000	2,81,000		
Vinod Kumar	Whole Time Director	Salary	38,23,669	-	4,08,188	
		Commission		-		
Ramesh Chand Sharma	CFO	Short term employee benefit		-		
		Salary	36,82,712	30,26,600	-2,31,980	-2,16,333
		Car Hire Charges	3,60,000	3,52,800	-29,400	-29,400
Ritu Gupta	Company Secretary	Short term employee benefit	-	-		
		Salary	20,82,859	21,23,082	-1,63,210	1,56,925

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4. Financial Instrument

(i) Capital Management

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

Amount inRs.

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)	2,84,49,51,388	2,16,05,91,862
Net Debt	-	-
Equity	7,28,93,29,590	8,32,48,11,960
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

Amount in Rs.

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	2,84,49,51,388	2,16,05,91,862
c) Other Financial Assets	2,74,49,36,199	2,43,19,85,756
d) Trade Receivable	6,63,98,070	2,88,08,61,734
Total	**565,62,85,657**	**7,47,34,39,352**

Amount in Rs.

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Liabilities measured at Amortised Cost a) Non-Current Borrowing	-	-
b) Current Borrowing	-	-
b) Trade Payable	4,86,96,80,380	7,03,12,72,760
c) Other Financial Liability*	2,07,46,58,238	83,69,93,743
Total	**6,94,43,38,618**	**7,86,82,66,503**

* including current maturities of long-term debt

(iii) Fair Value Hierarchy

The carrying amounts of trade receivables, cash and cash equivalents, Bank Balance, other bank balances, trade payables, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.
There are no Financial Assets/Liabilities classified as Level 1 and Level 2.

(iv) Financial Risk Management

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

Amount in Rs.

S.No	Particulars	As at March 31st, 2025	As at March 31st, 2024
1	GAIL (Pool Fund NG)	65,89,00,123	-
2	FICC, GoI	-	260,23,97,825

Cash and cash equivalents (including bank balances)
The Company held cash and cash equivalents ofRs. 284,49,51,388.00 (31 March 2024: Rs. 2,16,05,91,862.00).

Provision for expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. The company has customers (government utilities) with sufficient capacity to meet the obligations and therefore the risk of default is negligible or low. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.The company has made a provision of Rs. 5,62,59,812.00 towards doubtful debts, being the debtors on whom the company has filed cases. These amounts have not paid by the customers and are disputed.

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- 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:

Amount in Rs.

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	486,96,80,380	-	-	486,96,80,380	486,96,80,380
Other Financial Liabilities	13	2,07,46,58,238	-	-	2,07,46,58,238	2,07,46,58,238
Total		**694,43,38,618**	-	-	**694,43,38,618**	**694,43,38,618**
As at March 31, 2024						
Borrowing	13	-	-	-	-	-
Trade Payables	13	703,12,72,760	-	-	703,12,72,760	703,12,72,760
Other Financial Liabilities	13	83,69,93,743	-	-	83,69,93,743	83,69,93,743
Total		**786,82,66,503**	-	-	**786,82,66,503**	**786,82,66,503**

-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.

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(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:

Amount in Rs.

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Non-interest bearing		
Cash and cash equivalents	38,04,29,194	7,93,58,840
Others Financial Assets	250,45,77,753	223,54,88,113
Trade receivables	66,63,98,070	288,08,61,734
Interest bearing		
Other Financial Assets		
-Term Deposits with Banks	10,00,000	58,88,10,527
-Security Deposits	16,16,02,645	16,15,52,552
Bank Balances other than cash and Cash equivalents		
-Term Deposits with Banks	246,35,22,194	149,24,22,495
Financial liabilities		
Non-interest bearing		
Trade Payables	486,96,80,380	703,12,72,760
Other Financial Liabilities (including leaseliabilities)	189,79,69,267	67,08,06,720
Interest bearing		
Other Financial Liabilities		
-Security Deposits	17,66,88,971	16,61,87,023

(vi) Fixed Deposits Lien With-

Out of total FDRs' of Rs. 246,45,22,194.00, FDRs' worth Rs. 243,54,60,465.00 are lien marked with various authorities/government department as under :

Sl. No.	Name of Company/Department	Amount Rs.
1	GAIL	23,601,33,956
2	Sales Tax/Vat Authorities	14,85,886
3	KESCO/UPPCL	5,50,77,325
4	Railways	75,67,608
5	Labour Court	99,75,690
6	UP Pollution Control Board	12,20,000
	Total	**243,54,60,465**

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5. Certain balances of Trade Receivables, Advances from Customers, Advances to suppliers, Trade Payables, Dealers etc. are subject to confirmations. In theopinion 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.

Amount in Rs.

6. a) **Ratios**

Particulars	**2024-25**	**2023-24**
Current Ratio		
Current Assets	757,99,75,586.00	9,33,85,36,465.00
Current Liabilities	689,50,59,473.00	7,87,51,84,948.00
Ratio	**1.10**	**1.19**
%Change	**7.56%**	
Debt Equity Ratio		
Long Term Borrowings + Short Term Borrowings	0.00	0.00
Shareholder's Funds	7,28,93,29,590.00	8,32,48,11,954.00
Ratio	-	-
%Change	-	
Debt Service Coverage Ratio		
EBIDTA	-48,73,80,505.00	1,33,47,56,061.00
Principal repayments of Long term borrowings & Interest	-	-
Ratio	-	-
%Change		
Return on Equity/ Investment Ratio		
Net Profit after Taxes	(1,03,54,82,370.15)	14,94,49,293.00
Shareholder's Equity	7,28,93,29,590.00	8,32,48,11,954.00
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	25,60,08,92,896.00	29,48,85,00,993.00
Average Inventory	90,45,76,980.12	1,04,87,38,795.00
Ratio	**28.30**	**28.12**
%Change	**0.64%**	

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Trade Receivables Turnover Ratio

Net Credit Sales	25,60,08,92,896.00	29,48,85,00,993.00
Avg Accounts Receivable	1,77,36,29,902.00	3,56,84,58,845.00
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	4,86,96,80,380.00	7,03,12,70,260.00
Avg Trade Payables	5,95,04,76,570.04	7,05,10,88,185.00
Ratio	**0.82**	**1.00**
%Change	**18%**	

Net Capital Turnover Ratio

Net Sales	25,60,08,92,896.00	29,48,85,00,993.00
Working Capital (Current Assets- Current Liabilities)	68,49,16,115.00	1,46,33,51,517.00
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	(103,54,82,370.00)	14,94,49,293.00
Net Sales	25,60,08,92,896.00	29,48,85,00,993.00
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

Earnings before Interest and Taxes	(48,73,80,504.96)	1,33,47,56,052.00
Capital Employed	6,67,21,20,170.00	7,98,57,22,738.00
Ratio	**-0.07%**	**16.71%**
%Change	**100%**	**-**

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

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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:

<table>
<tr><th>Description of property</th><th>Gross carrying value (Rs. In Lakhs)</th><th>Asset held in name of</th><th>Whether held in name of promoter, director or their relative or employee</th><th>Period during which it was not held in name of the Company</th><th>Reason for not being held in name of company</th></tr>
<tr><td>Land – 56 cantonment, Kanpur Road, Kanpur</td><td rowspan="2">24,343.87</td><td rowspan="2">Duncans Industries Ltd.</td><td rowspan="2">No</td><td rowspan="2">w.e.f 24.01.2012</td><td rowspan="2">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</td></tr>
<tr><td>Land - Cee Kay Estate UdyogVihar Industrial Area, Panki, Kanpur</td></tr>
</table>

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

d) **Details of Benami Property held:**
The company does not hold any benami property.

e) **Willful Defaulter:**
The company has not been termed as wilful defaulter.

f) **Relationship with Struck off Companies:**
The company has not dealt with any struck off company.

g) **Compliance with number of layers of companies:**
The Company does not have subsidiary, therefore compliance with layers of companies is not applicable.

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

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

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j) **Corporate Social Responsibility (CSR)**

i) The company was required to spend an amount of Rs. 61,16,534/- as CSR expenses during the FY 24-25.

ii) However, the company has incurred an amount of Rs.4,91,50,000/- as CSR expenses during FY 24-25, based on approval of the Board to spend an amount of upto Rs. 5,00,00,000/- voluntarily.

Amount in Rs.

Particulars	**For the year ended 31.03.2025**
1) Jaypee University, Anoopshahr	3,00,00,000
2) Various Schools and Colleges run under Jaiprakash Sewa Sansthan	1,86,50,000
3) Vishwakarma Udhyogik Prashikshan Kendra Chitta	4,00,000.00
4) Dy. Commissioner Industry, Kanpur for National Flag Distribution	1,00,000.00
Total	**4,91,50,000.00**

k) **Details of Crypto Currency or Virtual Currency:**
The company has not dealt with crypto/virtual currency.

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

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

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

As per our report of even date attached to the Balance Sheet

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

SHARMA VATS & ASSOCIATES New Delhi Chartered Accountants

(Manoj Kumar Vats)
Partner
M. No. 527922

For and on behalf of the Board

(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