



Draft Independent Auditor's Report

**To the Members of
Kanpur Fertilizers & Chemicals Limited**

Opinion

We have audited the accompanying financial statements of **Kanpur Fertilizers & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2022, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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.

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	Our procedures included the following:



	<p>I. During the FY 2021-22, company recognized the total subsidy of Rs. 2169.03 crores on sale of Urea, Natural Gas and Freight. Accuracy of revenue may deviate significantly because revision in the notified rates and change in final estimates w.r.t escalation/de-escalation of cost.</p> <p>II. The subsidy due from Government of India at the end of FY 2021-22 stood at Rs. 779.02 crores. During the FY 2020-21, the company received Rs. 2514.09 crores as subsidy on account of urea, Freight and Natural Gas. Given the size of amount of subsidy, the evaluation of fair value of subsidy receivable and its recovery involves assessment of the management in terms of time frame of recovery from FICC and thus requires significant audit attentions and forms a Key Audit Matter</p>	<ol style="list-style-type: none"> 1. understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivables. 2. Reviewed the Company's Accounting policies for recognition of Subsidy on Urea as mentioned under "Note No. 2 Statement of Significant Accounting policies" in conformity with the provision of Ind AS on Government Grants. 3. Assessment of the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable. 4. Reviewed the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognized pursuant to changes in subsidy rates. 5. We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognized pursuant to changes in subsidy rates/escalation or de-escalation in subsidy rates. 6. Reviewed and tested the aging of the related receivables and assessed the information used by the management to
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		determine the recoverability of subsidy receivable by considering historical collection trends and the level of credit loss charged over time.
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Responsibility of Management for the Financial Statements

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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



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

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

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

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

Other Matters:

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

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



Report on Other Legal and Regulatory Requirements

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

- 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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. The Company has obtained the approval/No objection certificate dated 3rd March 2022 from Yes Bank Limited, the concerned Lender, for payment of Managerial remuneration. Subsequent approval of Shareholders (by way of special Resolution) will be obtained in the ensuing Annual General Meeting.
- 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 financial statements. - Refer Note 39 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to the Investor



Education and Protection Fund

- iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested, therefore the same is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(CA Manoj Vats)

Partner

M.NO. 527922

Date- 27/05/2022

Place- NEW DELHI

UDIN- 22527922AJVALP5131



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Kanpur Fertilizers & Chemicals Limited**(“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the



maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Manoj Vats)

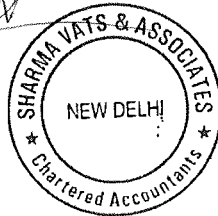
Partner

M.NO. 527922

Date- 27/05/2022

Place- NEW DELHI

UDIN- 22527922AJVALP5131



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

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

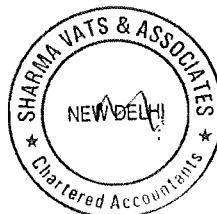
(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Intangible Assets.

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

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

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



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

(e) As informed, the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, therefore the Clause 3(i)(e) is not applicable.

(ii) (a) As explained to us, the inventories were physically verified during the year by the Management and no material discrepancies were noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public. Therefore, reporting under clause (v) of CARO is not applicable to the Company

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the companies Act 2013. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete. The cost audit report for the FY 2021-22 was yet to be concluded at the time of submission of our report.

(vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, Income-tax etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable.

(b) As per records produced before us there are no dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, GST, Excise Duty and cess which have not been deposited on account of any dispute.

(c) As Details of dues of Income Tax and Goods and Services Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:



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

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks at the end of the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority at the end of the year.
- (c) The Company has applied term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the



management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;

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



Kanpur Fertilizers & Chemicals Limited
Balance Sheet as on 31st March,2022

(Rs. in Lakhs)

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

Summary of Significant Accounting Policies &
Notes to the Financial Statements

"1" to "39"

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

(Manoj Kumar Vats)
Partner
M. No. 527922



Place: New Delhi
Dated : 27.05.2022

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Ritu Gupta)
Company Secretary
ACS-20334

(Sudhir Rana)
Chief Financial Officer

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

Kanpur Fertilizers & Chemicals Limited

Profit and Loss for the Quarter Ended 31st March,2022

(Rs. in Lakhs)

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

Summary of Significant Accounting Policies & Notes to the Financial Statements

"1" to "39"

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

(Manoj Kumar Vats)
Partner
M. No. 527922



Place: New Delhi
Dated: 27.05.2022

For and on behalf of the Board

(Ritu Gupta)
Company Secretary
ACS-20334

(Sudhir Rana)
Chief Financial Officer

(Manoj Gaur)
Chairman
DIN: 00008480
(Ajay Gaur)
Jt. MD & CEO
DIN: 00112520

Kanpur Fertilizers & Chemicals Limited
Cash Flow Statement For The Year Ended 31st December, 2021

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

Summary of Significant Accounting Policies & Notes to the Financial Statements

"1" to "39"

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

(Manoj Kumar Vats)
Partner
M. No. 527922

Place: New Delhi
Dated: 27.05.2022



(Ritu Gupta)
Company Secretary
ACS-20334

(Sudhir Rana)
Chief Financial Officer

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Ajok Gaur)
J. MD & CEO
DIN: 00112520

Kanpur Fertilizers & Chemicals Limited
Statement of Changes in Equity For the Year Ended 31st March, 2022

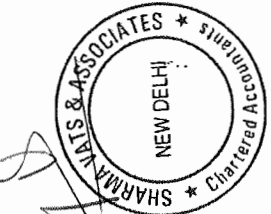
Equity Particulars	(Rs. in Lakhs)
a. Equity share capital	
Balance as at 31st March, 2021	34,346
Equity Share Issued During the period	-
Balance as at 31st March, 2022	34,346

Other Equity	(Rs. in Lakhs)				
Particular	Equity Component of Compulsory Convertible Preference Share	Security Premium	Retained Earnings	Remeasurements of the Defined Benefit Plans	Total
Balance as at 31st March, 2021	900	42,383	136	188	43,606
Profit For the Year	-	-	2,107	-	2,107
Remeasurement of Defined Benefit Liability (Net of Tax) Changes During The Year	-	-	-	4	5
Balance as at 31st March, 2022	900	42,383	2,243	192	45,718

Summary of Significant Accounting Policies & Notes to the Financial Statements


"1" to "39"

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



(Manoj Kumar Vats)
 Partner
 M. No. 527922

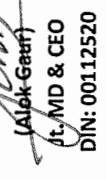
For and on behalf of the Board


 (Manoj Gaur)
 Chairman
 DIN : 00008480


 (Ritu Gupta)
 Company Secretary
 ACS-20334


 (Sudhir Rana)
 Chief Financial Officer

Place: New Delhi
 Dated : 27.05.2022

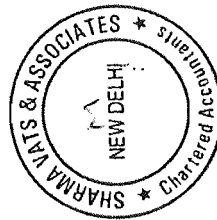

 (Ajit Gaur)
 Jt. MD & CEO
 DIN: 00112520

NOTE No. "4"
Property Plant & Equipment

(Rs. in Lakhs)

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





Particulars	As on 31st March,2022	As on 31st March, 2021
NOTE No. "5"		
Other Financial Assets		
Bank Deposits With More Than 12 Months Maturity *	151	751
Security Deposit	1,609	1,611
Other Receivables	151	143
	<u>1,911</u>	<u>2,505</u>

* Pledged as margin with banks against LC/BGs & DSRA

NOTE No. "6"**Other Non-Current Assets**

Prepaid Expenses	5	6
Tax Assets (Net)		
Advance Tax	724	724
Tax Deducted at Source	143	259
MAT Credit Entitlement	2,910	2,708
	<u>3,782</u>	<u>3,697</u>

NOTE No. "7"**Inventories**

Raw Materials	222	395
Work in Progress	1,101	1,218
Finished Goods	596	62
Finished Goods In Transit	-	1,715
Stores & Spares	3,221	3,314
Catalyst	697	483
	<u>5,837</u>	<u>7,187</u>

NOTE No. "8"**Trade Receivables**

Others (Unsecured, Considered Good)	78,847	29,160
Less : Provision for Bad & Doubtful Debts	563	-
	<u>78,284</u>	<u>29,160</u>

Ageing analysis of trade receivables As on 31.03.2022

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

Ageing analysis of trade receivables As on 31.03.2021

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

NOTE No. "9"**Cash and Cash Equivalents**

Balance with Banks	4,173	4,633
Term Deposit Account with Maturity of Less Than Three Months *	1,272	14,538
Cash in Hand	14	7
	<u>5,459</u>	<u>19,178</u>

* Pledged as margin with banks against LC/BGs & DSRA



Particulars	As on 31st March,2022	As on 31st March, 2021
NOTE No. "10"		
Other Bank Balances		
Deposits with Maturity for more than 3 months but Less than 12 months *	1,013	1,000
	<u>1,013</u>	<u>1,000</u>
* Pledged as margin with banks against LC/BGs & DSRA		
NOTE No. "11"		
Other Financial Assets		
Accrued Interest Receivable	96	67
Other Receivables	17	6
Related Party	14,669	9,341
	<u>14,782</u>	<u>9,414</u>
NOTE No. "12"		
Other Current Assets		
Prepaid Expenses	277	239
Advances to Vendors	732	660
GST/VAT Receivable	4,258	3,186
	<u>5,267</u>	<u>4,085</u>
NOTE No. "15"		
Borrowings		
Secured		
Term Loans		
From Banks - Yes Bank Ltd. (YBL).*	10,577	917
From Financial Institutions - India Infrastrucure Finance Company Limited (IIFCL) (EIR - 13.18%)	3,399	6,945
	<u>13,976</u>	<u>7,862</u>

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

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

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

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

This loan is secured by way of first ranking pari passu charge on all Fixed Assets (Immovable & movable ; both present & future) of the Company & second ranking pari passu charge on Current Assets (Both present & future) of the Company. This loan is further secured by way of pledge of 30% equity shares of the Company as held by Jaypee Uttar Bharat Vikas Private Limited (6,00,15,000 shares) & shortfall undertaking of Jaiprakash Associates Limited.

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

NOTE No. "16"

Other Financial Liabilities

Security and Other Deposits	1,420	1,157
	<u>1,420</u>	<u>1,157</u>

NOTE No. "17"

Long Term Provisions

Provision for Employee Benefit

Gratuity	163	183
Leave Encashment	112	109
	<u>275</u>	<u>292</u>



Particulars	As on 31st March,2022	As on 31st March, 2021
NOTE No. "18"		
Deferred Tax Assets		
On account of property, plant & equipment	-	-
Provision for Leave encashment ,Gratuity & Bonus	129	148
Brought Forward Losses & Unabsorbed Depreciation	2,299	2,217
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	4,205	5,092
Net Deferred Tax Assets/(Liability)	1,778	2,727

Movement in deferred tax balances**31st March-22**

Particulars	Net Balance	Recognised	Recognised in	Net Balance
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(5,092)	887	-	(4,205)
Provision for Leave encashment ,Gratuity & Bonus	148	(16)	(2)	129
Brought Forward Losses & Unabsorbed Depreciation	2,217	82	-	2,299
Net Deferred Tax Assets/(Liabilities)	(2,727)	953	(2)	(1,778)

March 31, 2021

Particulars	Net Balance	Recognised	Recognised in	Net Balance
Difference in WDV as per Income tax & WDV as per Co. Act 2013	(5,617)	525	-	(5,092)
Provision for Leave encashment & Gratuity	167	(11)	(9)	148
Brought Forward Losses & Unabsorbed Depreciation	1,394	823	-	2,217
Net Deferred Tax Assets/(Liabilities)	(4,056)	1,337	(9)	(2,727)

NOTE No. "19"**Borrowings****From Banks (Secured)**

Yes Bank Ltd (YBL)

	3,480	4,110
	3,480	4,110

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

India Infrastrucure Finance Company Limited

2,012

Yes Bank Ltd.

18

2,030

11,875

5,510

15,985

i) A consortium of Banks comprising State Bank of India and ICICI Bank has sanctioned working capital facilities of Rs.340,00 Lacs (both Fund Based and Non Fund Based).

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

ii) YBL - YBL has restructured / realigned its overdraft facility vide facility letter no YBL/DEL/FL/1513/2020-2021 dated 27.03.2021 and adendum no. YBL/DEL/FL/1301/2021-22 dated 17.02.2022. The rate of interest is 0.30% + Bank's one year MCLR (currently 8.50%). The overdraft is repayable in 19 structured instalments starting March, 2021 and ending on 31st March, 2030. The loan is secured by way of first pari pasu charge current assets; both present and future, of the Company. The Comapny has paid interest and instalments due upto 31st March, 2022.

NOTE No. "20"**Trade Payables**

Others

56,848

32,946

Micro Small Medium Enterprises

620

298

57,468

33,244

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

a) Principal amount

620

298

b) Interest thereon

Nil

Nil

c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006

Nil

Nil

d) The amount of interest due and payable for the period of delay in making payment without adding the interest specified

Nil

Nil

e) The amount of interest accrued and remaining unpaid as at December 31, 2020

Nil

Nil



Particulars	As on 31st March,2022	As on 31st March, 2021
payable even in the succeeding years, until such date when the the interest is actually paid	Nil	Nil

Ageing analysis of trade payable As on 31.03.2022

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

Ageing analysis of trade payable As on 31.03.2021

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

NOTE No. "21"

Other Financial Liabilities

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

NOTE No. "22"

Other Current Liabilities

Statutory Taxes and Dues	403	289
Advance Received from Customers	449	339
	<u>852</u>	<u>628</u>

NOTE No. "23"

Provisions

Gratuity	51	67
Leave Encashment	44	32
	<u>95</u>	<u>99</u>

NOTE No. "24"

Current Tax Liability

Provision for Income Tax	91	15
	<u>91</u>	<u>15</u>



(Rs. in Lakhs)

NOTE No. "13"	As on 31st March,2022	As on 31st March,2021
Equity Share capital		
Authorised Share Capital		
Equity Share Capital		
82,50,00,000 (Previous period 82,50,00,000) Shares of Rs. 10/- each	82,500	82,500
Preference Share Capital	-	-
37,50,00,000 (Previous period 37,50,00,000) Shares of Rs. 10/- each	37,500	37,500
	<u>120,000</u>	<u>120,000</u>
Issued, subscribed and paid up capital		
Equity Share Capital		
34,34,57,225 (Previous period 34,34,57,225) Shares of Rs. 10/- each fully paid up	34,346	34,346
Preference Share Capital	-	-
90,00,000 (Previous period 90,00,000) Shares of Rs. 10/- each fully paid up	900	900

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

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

Equity Shares
The Company has two classes of shares referred to as Equity Shares & Preference Shares having face value of Rs. 10/- each. Each holder of Equity Share is entitled to The Paid up Equity Share Capital of the Company is held by Jaypee Uttar Bharat Vikas Private Limited (Holding Company-58.25%) including 50,000 Equity Shares as The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing

Preference Shares

90,00,000 10% Compulsorily Convertible Preference shares (CCPS) of Kanpur Fertilizers & Chemicals Limited held by Jaypee Fertilizers & Industries Limited (JFIL) were

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



(Handwritten signature)

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

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

NOTE No. "26"

Other Income

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

NOTE No. "27"

Cost of material Consumed

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

NOTE No. "28"

Purchases of Stock-in-Trade

Ammonia	339	-	-	339	-
Wheat seed	-	-	1,806	1,806	1,573
Calcium Nitrate	13	3	27	58	136
Zyme	88	33	209	721	670
Micro Nutrient	75	38	123	461	386
Sulphur	100	22	97	374	263
Zinc Sulphate	4	-	14	47	37
City Compost	2	5	0	25	76
Ferrous Sulphate	13	7	15	142	63
Others	13	0	23	67	15
	647	108	2,314	4,040	3,219

NOTE No. "29"

Changes in Inventories of Finished Goods

Work-in-Progress

Opening Stock

Work-in-Progress	1,340	681	872	1,218	1,533
Finished Goods	2,103	1,265	1,513	1,777	1,277
	3,443	1,946	2,385	2,995	2,810

Closing Stock

Work-in-Progress	1,101	1,218	1,340	1,101	1,218
Finished Goods	596	1,777	2,103	596	1,777
	1,697	2,995	3,443	1,697	2,995
	1,746	(1,049)	(1,058)	1,298	(185)

NOTE No. "30"

Employee Benefit Expense

Salaries and Wages	1,148	1,053	1,026	4,196	4,274
Contribution to Provident and Other Funds	53	53	48	205	200

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Kanpur Fertilizers & Chemicals Limited
Notes to the Financial Statements for the Year Ended 31st March,2022

(Rs. in Lakhs)

Particulars	Quarter Ended 31.03.2022	Quarter Ended 31.03.2021	Quarter Ended 31.12.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
Gratuity	15	61	50	66	129
Staff Welfare	3	(1)	8	15	85
	1,219	1,166	1,132	4,482	4,688

NOTE No. "31"

Finance Cost

Interest to Banks on Working Capital	772	852	111	1,102	5,924
Interest to Banks on Term Loan	(609)	783	543	1,087	2,933
Interest to Others	1,178	2,520	1,009	3,821	4,958
Financial Charges	23	6	29	104	266
	1,364	4,161	1,692	6,114	14,081

NOTE No. "32"

Depreciation and Amortization expense

Depreciation on Tangible Assets	2,790	1,799	1,805	8,264	7,300
	2,790	1,799	1,805	8,264	7,300

NOTE No. "33"

Other expenses

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

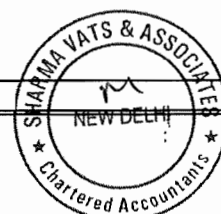
NOTE No. "34"

Exceptional Items (Net)

Loss on Retirement of Fixed Assets*	-	61.56	-	-	62
Capital Work in Progress*	-	70.57	-	-	71
Bad Debts Written Off	20	243	-	19	244
Creditor Bal. Written Back	(3)	(19)	-	(24)	(527)
	17	357	-	(5)	(150)

(* Auditors Remuneration

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



Kanpur Fertilizers & Chemicals Limited
Notes to the Financial Statements for the Year Ended 31st March,2022

NOTE No. "35" Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'

(a) Income Tax Expense

i) Income tax recognised in statement of profit or loss

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

ii) Income tax recognised in other comprehensive income

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

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

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

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



Kanpur Fertilizers & Chemicals Limited
Notes to the Financial Statements for the Year Ended 31st March, 2022

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

Basic and diluted earnings per share

	Mar 31st, 2022	Mar 31st, 2021
Basic earnings per share (Refer footnote a & b)	0.61	(1.41)
Diluted earnings per share	0.60	(1.32)
Nominal value per share	10.00	10.00
(a) Profit attributable to equity shareholders		
Profit for the year	2,105	(4,652)
Profit attributable to equity shareholders	2,105	(4,652)
(b) Weighted average number of equity shares		
Opening balance of issued equity shares	343,457,225	290,957,225
Effect of shares issued during the year, if any	-	40,130,137
Weighted average number of equity shares for Basic	343,457,225	331,087,362
(c) Weighted average number of Convertible Preference shares		
Opening balance of issued Preference shares	9,000,000	61,500,000
Effect of shares Issued during the year, if any	-	52,500,000
Balance shares convertible at the end of the Year	9,000,000	9,000,000
Effect of shares Convertible during the year, if any	-	12,369,863
Weighted average number of Convertible Preference shares (b)	9,000,000	21,369,863
Weighted average number of equity shares for Diluted EPS (b+c)	352,457,225	352,457,225



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

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund to the appropriate authorities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. An amount of Rs. 2.05 crore (31 March 2021: Rs. 2.00 crore) for the year is recognised as expense on this account and charged to the Statement of Profit and Loss.

(ii) Defined Benefits plans:

A. Gratuity-Funded

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

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

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Net defined benefit Obligation :		
Gratuity (funded)	94.64	116.19
Total	94.64	116.19

(Rs. in Lakhs)

Total employee benefit obligation	As at 31.03.2022	As at 31.03.2021
Non-current	163.41	183.07
Current	51.40	66.61
Total	214.80	249.68

Movement in net defined benefit obligation for the year

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Present Value of Obligation as at the beginning of Period	249.68	281.02
Interest Cost	16.98	19.11
Service Cost	36.30	40.21
Past service cost including curtailments Gains/Losses	-	-
Benefit Paid	-94.64	-116.19
Total Actuarial (Gains)/Loss on obligation	6.49	25.53
Total Service Cost to be recognised in Statement of Profit & Loss A/C	214.80	249.68

Included in OCI

(Rs. in Lakhs)

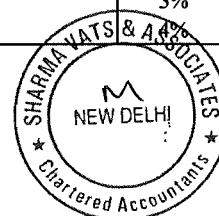
Particulars	As at 31.03.2022	As at 31.03.2021
Actuarial (Gains)/Loss arising from:		
Demographic assumptions	0.00	0.00
Financial Assumptions	-5.18	0.00
Experience Adjustment	11.67	25.53
Total Amount Recognised in OCI	6.49	25.53

D. Defined benefit obligations

i. Actuarial assumptions

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

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	7.18%	6.80%
Retirement Age	60	60
Mortality Rate inclusive of Provision for disability	100% of IALM	100% of IALM (2012-14)
Withdrawal rate		
Up to 30 Years	2%	2%
From 31 to 44 Years	5%	5%
Above 44 Years	3%	3%
Salary escalation rate		4%



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

ii. Sensitivity analysis

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

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

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

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

E. Risk exposure

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

a) Salary Increases

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

b) Changes in discount rate

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

c) Investment Risk

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

c) Mortality & Disability

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

c) Withdrawals

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

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

Particulars	(Rs. in Lakhs)						
	0 to 1 Year	1 to 2	2 to 3	3 to 4 Year	4 to 5	5 to 6	6 Year onward
31 March 2022							
Gratuity	51.40	24.99	21.27	12.62	6.96	7.74	89.82
Total	51.40	24.99	21.27	12.62	6.96	7.74	89.82

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

Particulars	(Rs. in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Gratuity	12.79	12.46

(iii) Other long term employee benefit plans

Leave

The Company provides for earned leave benefit to the employees of the Company which accrue monthly and in some case annually on the first day of the year. Earned leave (EL) over and above fixed maximum number of days is encashed paid to employees while in service and balance at the time of retirement. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of Rs. 1.41 crore (31 March 2020: Rs. 2.20 crore) for the year have been made on the basis of actuarial valuation at the year end.



Kanpur Fertilizers & Chemicals Limited

Notes to the Financial Statements for the Year Ended 31st March,2022

Note No. "38" Corporate social responsibilities expenses (CSR)

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

(Rs. in Lakhs)

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

Amount spent during the year ended 31 March 2022:

(Rs. in Lakhs)

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

Amount spent during the year ended 31 March 2021:

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

(Rs. in Lakhs)

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



Note No. "39" Related Party Disclosure

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

Name of Related Party	Relationship	Nature of Transaction	Transaction During the year		Payment	Outstanding Balance as at	
			FY 2021-22	FY 2020-21	FY 2021-22	31st March 2022	31st March 2021
Jaypee Fertilizers & Industries Limited	Holding Company	Reimbursement Towards Expenses	-	-	2.89	1,513.68	1,510.79
Jaypee Uttar Bharat Vikas Private Limited	Holding Company	Reimbursement Towards Expenses	-	-	-	1.43	1.43
Jaiprakash Associates Limited	Holding Company	Purchase of Power	-	5,632.63	17,984.99	13,154.45	7,828.39
		Purchase of Power	11,573.24	22,337.88			
		Cement Purchased	5.39	16.44			
		Assets Purchased	1,000.00	18.89			
		Repairing Services	6.31	35.32			
		Repairing Services (HO)	13.09	-			
Himalayaputra Aviation Limited	Fellow Subsidiary Company	Helicopter & Aeroplane hire Charges	120.00	120.00	127.65	-23.20	-11.65
Jaypee Healthcare Limited	Fellow Subsidiary Company	CSR Asctivites	15.00	-	15.00	-	-
Mahabhadra Constructions Ltd	Fellow Subsidiary Company	Security & Medical Manpower Services	238.55	189.93	269.90	-26.71	-26.00
		Sale of Service					
JIL Information Technology Ltd.	Assosiate Company	Manpower Supply	122.21	54.70	111.67	-36.99	-13.37
		Assets Purchased	0.62	2.50			
		Sale of Assets	-	0.00			
		Sale of Service					
Jaypee Cement Corporation Ltd.	Assosiate Company	Purchase of AC Sheets	2.19	3.17	9.80	-	-7.21
Gaur & Nagi Limited	Assosiate Company	Publishing Charges of Annual Report	0.33	0.32	-	-0.35	-
Total						14,582	9,282

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

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



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

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

(Rs.in Lakhs)

In Particulars	2021-22	2020-21
a) Claims against the Disputed Income Tax Liability (Including Tax) not acknowledged as Debt (Income Tax demand for the AY 12-13 on Bank Guarantee Commission is disputed and appeal has been filed with Commissioner Appeals against the order of DCIT - TDS. Regular assessments of AY 12-13 appeal with ITAT and AY 13-14 in appeal with CIT (Appeals).	327.76	327.76
b) Claims against the Disputed Goods and Service Tax liability (Including Tax) not acknowledged as Debt. Notice of Demand on account of excess Input Tax Credit (ITC) availed was raised by Assistant Commissioner of Central Tax. The company had filed the reply and Assistant Commissioner had passed the rectification order. Appeal has been filed against the said order in Appellate Tribunal with pre-deposit of 10% of the tax amount.	150.31 11.52	1,466.71
c) Legal claims against Civil/Labour Court Cases	5,332.78	4,327.98
d) Stamp Duty (U/s 47 of Stamp Act)	4,200.00	4,200.00
e) Outstanding Balances of Bank Guarantees	648.81	648.81
Margin Money deposited against the above	882.14	872.22
f) Outstanding Letters of Credit (including Foreign LCs)	8,000.00	8,000.00
Margin Money deposited against the above	1,001.39	969.35

2) **Related Party Disclosure**

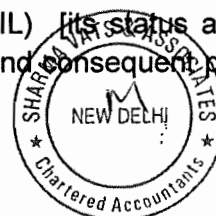
Name of Related Party and Relationship

a) **Holding Company**

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

b) **Fellow Subsidiary Companies**

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



c) Associate Companies:

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

d) Key Managerial Personnel

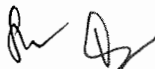
1. Shri Manoj Gaur – Non Executive Chairman
2. Shri Alok Gaur – Joint Managing Director & CEO (Appointed as Additional Director w.e.f 29th January, 2021 and Joint Managing Director & CEO w.e.f 1st February, 2021)
3. Ms. Sunita Joshi – Non Executive Director
4. Shri R.K. Pandey – Non Executive Director
5. Shri S.D. Nailwal – Non Executive Director
6. Shri Ajit Kumar – Non Executive Director (Appointed w.e.f 29th January, 2021)
- 7.
8. Shri Anil Mohan – Non Executive Director(Appointed w.e.f. 13th April, 2020)
- 9.
10. Shri Satish Charan Kumar Patne – Independent Director (Appointed w.e.f. 3rd May, 2020)
- 11.
12. Shri K.V.Rajendran – Independent Director (Appointed w.e.f. 3rd May, 2020)
- 13.
14. Shri Devinder Singh Ahuja – Non Executive Director (Appointed w.e.f. 28th July, 2021)
- 15.
16. Shri A.K. Jain, Vice Chairman and CEO (Resigned w.e.f 13th June, 2020)
- 17.
18. Shri Gaurav Jain, Director (Resigned w.e.f 16th June, 2020)
19. Shri Sunny Gaur, Director (Resigned w.e.f 13th September, 2020)
- 20.
21. Shri Sudhir Rana – Chief Financial Officer
22. Smt. Suman Lata – Company Secretary (Resigned w.e.f 15th February, 2022)

e) Key Managerial Personnel of JUBVPL

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

f) Key Managerial Personnel of JFIL

1. Shri Sunil Kumar Sharma - Chairman
2. Shri G.P. Gaur - Director
3. Ms. Sunita Joshi - Director
4. Shri Amit Sharma - Director



5. Shri S.D. Nailwal– Director
6. Shri Gaurav Jain – Wholetime Director (Resigned w.e.f 16th June, 2020)
7. Shri Joginder Pal Sindwani - Chief Financial Officer

g) Key Managerial Personnel of JAL

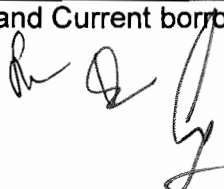
1. Shri Jaiprakash Gaur (w.e.f. 19.05.2018)) - Chairman Emeritus
2. Shri Manoj Gaur- Executive Chairman & CEO
3. Shri Sunil Kumar Sharma – Executive Vice Chairman
4. Shri Raj Narayan Bhardwaj – Independent Director
5. Ms. Homai A. Daruwalla – Independent Director
6. Shri Kailash Nath Bhandari – Independent Director
7. Shri Satish Charan Kumar Patne – Independent Director
8. Shri Keshav Prasad Rau – Independent Director
9. Shri Tilak Raj Kakkar – Independent Director
10. Shri Pankaj Gaur – Joint Managing Director (Construction)
11. Shri Ranvijay Singh – Whole-time Director
12. Shri Ravindra Kumar Singh – Director (Appointed w.e.f. 23rd December, 2020)
13. Shri R.B Singh, Wholetime Director (Appointed w.e.f. 12th February, 2022)
14. Dr. Pramod Kumar Agrawal, Independent Director (Appointed w.e.f. 12th February, 2022)
15. Shri Sunny Gaur, Managing Director (Cement) (Resigned w.e.f 4th July, 2020)
16. Shri Ashok Soni, CFO
17. Shri M.M. Sibbal, Company Secretary (1st June, 2017 to 30th June, 2021)
18. Shri Sandeep Sabharwal, Company Secretary (Appointed w.e.f 1st July, 2021)

3) Financial Instrument
(i) Capital Management

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

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

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




(ii) Categories of Financial Instruments

Rs. In Lakhs

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

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

* including current maturities of long-term debt

(iii) Fair Value Hierarchy

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

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

(iv) Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

-Credit risk

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



Trade receivables

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

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

		Rs. In Lakhs	
S.No	Particulars	As at March 31 st , 2022	As at March 31 st , 2021
1	FICC, Gol	77,902.50	28,149.27

Cash and cash equivalents (including bank balances)

The Company held cash and cash equivalents of Rs. 6,471.96 Lakhs (31 March 2021: Rs. 20,178.00 Lakhs). The cash and cash equivalents are held with banks with high credit ratings.

Provision for expected credit losses

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

- Liquidity Risk

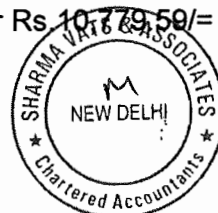
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

Default in repayment of Term Loan and interest thereon

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

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



(i) *Financing arrangements*

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

Particulars	As at 31.03.2022	As at 31.03.2021
<u>Cash Credit</u>		
State Bank of India	-	-
ICICI Bank Ltd.	-	-
<u>Overdraft</u>		
Yes Bank Ltd.	3,480.28	4,109.83
Total	3,480.28	4,109.83

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

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

Liquidity and Interest Risk Tables

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

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



(ii) *Maturities of financial liabilities*

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

Rs. In Lakhs

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

-Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(v) Interest Rate Risk Management

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

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



Interest Rate Sensitivity Analysis

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

Rs. In Lakhs

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

(vi) Deposits Liened With -

Rs. In Lakhs

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

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



KANPUR FERTILIZERS & CHEMICALS LIMITED
NOTE No. "39" FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

4) a) Ratios

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

(Handwritten signature)



b) The title deeds of immovable Properties are deemed held in the name of company in terms of Para 4 and Para 5, Para II of Annexure A of approved Scheme of BIFR. Details as under :

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

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

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

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

The company does not hold any benami property.

e) **Willful Defaulter:**

The company has not been termed as wilful defaulter.

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

The company has not dealt with any struck off company.

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

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

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

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[Signature]



KANPUR FERTILIZERS & CHEMICALS LIMITED

NOTE No. "39" FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

YES BANK LIMITED YES BANK HOUSE, OFF WESTERN EXPRESS HIGHWAY,SANTACRUZ, MUMBAI, MAHARASHTHRA - 400055	11,000.00	Second ranking pari passu charge by way of hypothecation created/ to be created on the movable assets (both present and future) of the Company as provided in Schedule 2 of the Deed of Hypothecation in favour of Yes Bank Limited as security for the Term Loan and the FITL granted in accordance with the terms of the Facility Letter & LA. Second ranking pari passu charge by way of mortgage created/ to be created on the immovable assets (both present and future) of the Company as provided in Schedule I and II of the MoE and Declaration as security for the Term Loan and the FITL granted in accordance with the terms of the Facility Letter & LA.	CHG-1 filed on 31/03/2022 vide SRN T93108751
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Registration of Satisfactions with Registrar of Companies :

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

h) Compliance with number of layers of companies:

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

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

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



k) Corporate Social Responsibility (CSR)

- i) The company was not required to spent amount as CSR expenses during the FY 21-22.
ii) However, the company has incurred amount of Rs.26,36,000/- as CSR expenses in FY 21-22.

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

l) Details of Crypto Currency or Virtual Currency:

The company has not dealt with crypto/virtual currency.

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

Summary of Significant Accounting Policies &

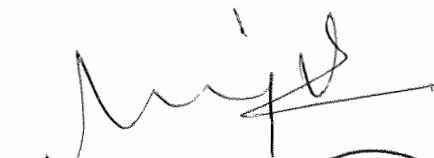
Notes to the Financial Statements "1" to "39"

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

For Sharma vats & Associates

Chartered Accountants Registration No.031486N

For and on behalf of the Board



(Manoj Kumar Vats)

Partner

M. No. 527922



Place: New Delhi

Dated : 27.05.2022

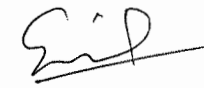


(Ritu Gupta)

Company

Secretary

ACS-20334



(Sudhir Rana)

Chief Financial


Officer



(Manoj Gaur)

Chairman

DIN: 00008480



(Alok Gaur)

Jt. MD & CEO

DIN: 00112520