



KHAITAN CHEMICALS & FERTILIZERS LIMITED

44TH ANNUAL REPORT 2025-26

Nurturing Growth.
Empowering Farmers.
Enriching Tomorrow.



खेतान

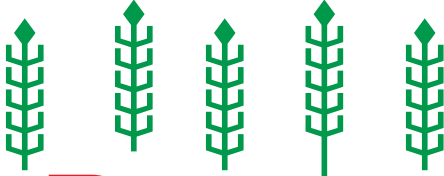
QUALITY CERTIFIED
गुणवत्ता पर वर्षों का भरोसा

(सहायक महाप्रबंधक (उर्वरक उत्पादन प्रक्रिया))

For Any Complaints :
Contact - Manager (Production)
Khaitan Chemicals & Fertilizers Limited
7th Floor, The B Zone Business Space,
Pipliya Kumar, Nipania Main Road,
Indore - 453771
Ph.: 0731-4753666
E-mail : kcflcustomercare@kcfl.in



FERTILISER



खेतान K9+

SINGLE SUPER PHOSPHATE FORTIFIED WITH
ZINC-BORON-MAGNESIUM (GRANULES)

P(Available)-16% (Min), P(WS)-14.5% (Min), S-11% (Min), Zn-0.5%(Min), B-0.2%(Min), Mg-0.5%(Min)
Net Weight 50 Kg, Gross Weight 50.12 Kg (While Packing)
Govt. Subsidy Rs. 403.15 Per Bag / Rs. 8.063 Per kg



खेतान, KHAITAN, खेतान, झिंखन, झिंखन



REGISTERED OFFICE :
KHAITAN CHEMICALS & FERTILIZERS LIMITED
Nimrani, District - Khargone (M.P.)

MANUFACTURED & MARKETING BY :
KHAITAN CHEMICALS & FERTILIZERS LIMITED
1. Nimrani, District - Khargone - 451660 (M.P.)
2. Dhinwa, Nimbaheda, District - Chittod - 312601 (Raj.)
3. Goramachiya, District - Jhansi - 284001 (UP)
4. Malwan, District - Fatehpur - 212664 (UP)
5. Farhad Somni, District - Rajnandgaon - 491443 (CG)
6. Vagra, Dahej District - Bharauich - 392120 (GUJ)

ANNUAL GENERAL MEETING:

Date : **21st day of July, 2026**
 Day : **Thursday**
 Time : **11:00 P.M.**
 Place : **To be convened through VC/OAVM**

REGISTERED OFFICE:

A. B. Road, Village Nimrani,
 Tehsil Kasrawad,
Dist. Khargone - 451569 (M.P.)

INDORE OFFICE:

The B Zone, 7th Floor, Pipliya Kumar,
 Nipania Main Road
Indore - 453 771 (M.P.)

NEW DELHI OFFICE:

Plot No. 6, 9th Avenue Village, Jonapur, Chattarpur,
New Delhi - 110 074

SECRETARIAL AUDITORS:

Ritesh Gupta & Co.(Company Secretaries)
 56-A, Anil Nagar, M.R.-9 Road,
Indore - 452 001(M.P.)

WORKS:**Fertilizers and Chemicals & Speciality Chemicals Division :**

1. A.B. Road, Village Nimrani,
Tehsil Kasrawad, Dist. Khargone -
451569 (M.P.)
2. Village Goramachia, Kanpur Road,
Jhansi - 248001 (U.P.)
3. Village Dhinva, Tehsil Nimbahera
Dist. Chittorgarh - 312601 (Rajasthan)
4. A-1, UPSIDC Industrial Area,
Malwan, Dist. Fatehpur - 212664 (U.P.)
5. Village Farhad (Somni),
Dist. Rajnandgaon - 491443 (Chattisgarh)
6. 42/7, GIDC Industrial Estate, Dahej, Vagra
Dist. Bharuch-392130 (Gujarat)

LISTING OF SHARES:

BSE Limited : Scrip Code - **507794**
 National Stock Exchange of India Limited :
 (NSE) Symbol - **KHAICHEM**
 ISIN No.: **INE745B01028** (NSDL & CDSL)

BOARD OF DIRECTORS:

Shri Shailesh Khaitan : Chairman & Managing Director
Shri Utsav Khaitan : Joint Managing Director
Shri Praveen Uniyal : Whole Time Director
Mrs. Payal Gupta : Independent Woman Director
Shri Deepak Kumar Khemka : Independent Director
Shri Inderjit Singh* : Independent Director
Shri Suman Jyoti Khaitan** : Independent Director

* Shri Inderjit Singh resigned from the board of w.e.f. 29.10.2025

** Shri Suman Jyoti Khaitan was appointed as Independent Director w.e.f. 29.10.2025

KEY MANAGERIAL PERSONNEL:

Shri Shailesh Khaitan : Chairman & Managing Director
Shri Utsav Khaitan : Joint Managing Director
Shri Harsh Vardhan Agnihotri : President & Chief Financial Officer
Ms. Sejal Maheshwari : Company Secretary & Compliance Officer

STATUTORY AUDITORS:

M/s. NSBP & Co., Chartered Accountant
 325, Third Floor, U.S. Complex, Opp. Apollo Hospital,
 120, Mathura Road, Sarita Vihar, **New Delhi - 110 076**

KOLKATA OFFICE:

Unit 9A, 9th Floor, "Tirumala, 22" 22, East Topsia Road,
Kolkata - 700 046 (W.B.)

SOLICITORS:

M/s. Khaitan & Partners,
 Himalaya House, 23, Kasturba Gandhi Marg,
New Delhi - 110 001

BANKERS:

- State Bank of India
- Union bank of India
- Axis Bank Ltd.
- IDBI Bank Ltd.
- HDFC Bank Ltd.

CONTENTS:

Notice of Annual General Meeting	: 01-08
Directors' Report	: 09-13
Management Discussion & Analysis Report	: 14-15
Report on Corporate Governance	: 16-24
Annexure's of Director's Report	: 25-29
Business Responsibility & Sustainability Report	: 30-51
Auditor's Report	: 52-56
Balance Sheet	: 57
Statement of Profit & Loss	: 58
Cash Flow Statement	: 59
Statement of Change in Equity	: 60
Notes to Financial Statements	: 61-91

KHAITAN CHEMICALS AND FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

Regd. Office: A. B. Road, Village Nimrani, Dist. Khargone- 451569 (M.P.)

E-mail: secretarial@kcfli.in, Website: www.kcfli.co.in

Phone: 0731- 4753666

NOTICE OF 44TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Forty-Fourth Annual General Meeting of 'KHAITAN CHEMICALS AND FERTILIZERS LIMITED'** will be held on **Tuesday, 21st July, 2026 at 11:00 A.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026, including the Audited Balance Sheet as at March 31, 2026, and the statement of profit and loss for the financial year ended on that date, the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a director in place of Shri Praveen Uniyal (DIN: 08714038), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare Dividend of Re. 0.05/- per equity share i.e. 5% on face value of Re. 1/- each for the Financial Year ended March 31, 2026

SPECIAL BUSINESS:

4. **To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2027.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and approval of the Board of Directors, the remuneration of Rs. 3,50,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2027, to be paid to **M/s. M.P. Turakhia & Associates, Cost Accountants**, for the conduct of the cost audit of the Company's Fertilizer manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon & Dahej and Chemicals & Speciality Chemicals manufacturing units at Nimrani, Jhansi, Malwan & Rajnandgaon, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or CS Sejal Maheshwari, Company Secretary & Compliance Officer, be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient to give effect to this resolution."

5. **To approve the increase in the borrowing limits under Section 180(1)(c) of the Companies Act, 2013.**

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

"RESOLVED THAT in supersession of all earlier resolutions passed by the members of the Company in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Companies Act") and the Articles of Association of the Company and subject to such other approvals and permissions as may be required, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) to borrow from time to time any sum or sums of monies (exclusive of interest) and in one or more tranches, on such terms and conditions as may be determined by the Board, from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and/or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of

debentures, commercial papers, long/short term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the moneys may be borrowed by the Company and outstanding at any time shall not exceed the sum of `800 Crores/- (Rupees Eight Hundred Crores Only);

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors (including any Committee of the Board) and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, including to make any filings, furnish any returns or submit any other documents to any government, statutory or regulatory authorities as may be required, to settle any question, difficulty or doubt and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and give effect to such modifications, terminations, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Company, as the case may be;

RESOLVED FURTHER THAT duly certified copies of the above resolution be furnished to any government, statutory or regulatory authority as may be required from time to time."

6. **To approve the power for creation of charge on the assets of the Company to secure borrowings up to `800 Crores pursuant to section 180(1)(a) of the Companies Act, 2013.**

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

"RESOLVED THAT in supersession of all earlier resolutions passed by the members of the Company in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the rules made there under, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) to mortgage, pledge, charge, hypothecate and/ or create security interest of every nature and kind whatsoever as may be necessary on such of the moveable or immoveable assets and properties of the Company wherever situated, both present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company, in such manner as the Board / Committee of the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusteeship companies, trusts, other bodies corporate (hereinafter

referred to as the "Lending Agencies") and trustees for the holders of debentures/ bonds and/or other instruments/securities which may be issued on private placement basis or otherwise, to secure the due payment of the principal together with interest, additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies including any increase as a result of devaluation/ revaluation/fluctuation in the rate exchange of foreign currencies involved payable by the Company or any third party in respect of borrowings availed of from such Lending Agencies of an outstanding aggregate value not exceeding `800 Crores (Rupees Eight Hundred Crores Only);

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board of Directors of the Company (including any Committee of the Board) and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, including to make any filings, furnish any returns or submit any other documents to any government, statutory or regulatory authorities including Registrar of Companies, as may be required, to settle any question, difficulty or doubt and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/ or instructions as they may from time to time decide and give effect to such modifications, terminations, changes, variations, alterations, deletions and/ or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Company, as the case may be;

RESOLVED FURTHER THAT duly certified copies of the above resolution be furnished to any government, statutory or regulatory authority as may be required from time to time."

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. In view of the General Circular 03/2025 dated September 22nd, 2025, General Circular 09/2024 dated September 19th, 2024, General Circular 09/2023 dated September 25, 2023, read with Circulars dated December 28, 2022 and vide its General Circular No. 3/2022 dated 5th May 2022, read with General Circular NO. 14/2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020, General Circular No. 22/2020 dated 15th June 2020, General Circular No. 33/2020 dated 28th September 2020, General Circular No. 39/2020 dated 31st December 2020, General Circular No. 10/2021 dated 23rd June 2021 and General Circular No. 20/2021 dated 8th December 2021 and General Circular No. 11/2022 dated 28th December 2022 (collectively referred to as 'MCA Circulars'), the Company is being permitted for convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with SEBI Circular, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. In Compliance with the directions issued by Ministry of Corporate Affairs ("MCA") and The Securities and Exchange Board of India (SEBI) the Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM along with Annual Report 2025-26 will also be available on the Company's website www.kcfl.co.in, website of the stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and also on the website of CDSL (agency for providing the Remote e-Voting facility) www.cdslindia.com.

7. To approve Re-appointment of Shri Utsav Khaitan (DIN: 03021454) as a Joint Managing Director (Key Managerial Personnel) of the Company:

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

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 152, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Shri Utsav Khaitan (DIN: 03021454) as the Joint Managing Director (Key Managerial Personnel) of the Company, for a period of Three (3) years effective from May 1, 2026 to April 30, 2029 as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on April 23, 2026, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be agreed by Shri Utsav Khaitan, subject to the applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and Key Managerial Personnel of the Company be and is hereby authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient to give effect to this resolution."

**By Order of the Board
For Khaitan Chemicals and Fertilizers Limited**

**Place : Indore
Date : 14 May, 2026**

**Sejal Maheshwari
Company Secretary & Compliance Officer**

4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy (ies) by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board Resolution on Company's email Id at secretarial@kcfl.in.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The Members can join the AGM through the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic

- means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by CDSL.
9. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.
 10. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO /MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.
 11. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4.
 12. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members may register their nomination by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at investor@ankitonline.com in case the shares are held in physical form, quoting their folio number.
 13. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2017-18 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
 14. Members are advised to claim their unpaid dividend for the year 2018-19 to 2022-23 (Final & Interim Dividend) if any, the Company is having total unpaid dividend of Rs. 14.78 Lacs. Attention of the members of the Company are drawn towards the provisions of section 124(6) which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) shall also be transferred by the company in the name of IEPF. Therefore, in the interest of the members it is advised to take appropriate action to encash the unpaid dividend and update their bank particulars through the respective Dps. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. www.kcfl.co.in
 15. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
 16. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to Notice as **Annexure- I**. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 17. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
 18. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office and at Company's office at The B Zone, 7th Floor, Pipliya Kumar, Nipania Main Road Indore- 453771 (M.P.) on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.
 19. The Board of Directors has appointed CS Ritesh Gupta, Company Secretary in Whole Time Practice (ICSI Membership No. FCS-5200 CP No. 3764) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
 20. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at www.kcfl.co.in within Two (2) working days of passing of the resolutions at the AGM of the Company and communicated to The BSE Limited and National Stock Exchange of India Limited.
 21. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from 15th July 2026 to 21st July 2026, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
 22. The dividend on Equity Shares, if declared at the AGM, will be payable on or after Monday, July 27, 2026 to those members whose names appear as Members in the Register of Members of the Company on Tuesday, July 14, 2026 in respect of the shares held in electronic form, the dividend will be paid on the basis of Beneficial Ownership as per details furnished by Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for this purpose.
 23. The details of the process and manner for remote e-voting are explained herein below.
- THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**
- Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on Saturday 18th July, 2026 and ends Monday 20th July, 2026 05:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th July, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Share holders holding securities in demat mode with CDSL Depository	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting

Type of shareholders	Login Method
	<p>your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or Contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company **KHAITAN CHEMICALS AND FERTILIZERS LIMITED** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@kchl.in & csriteshguptakchl@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their question in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@kchl.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@kchl.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders- Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futreux, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESS:

Item No. 4

To rectify the remuneration of cost auditor for the financial year ended 31st March, 2027

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a cost accountant in practice on the recommendation of the Audit Committee, on such remuneration which shall be ratify by the members of the Company.

The Board on the recommendation of the Audit Committee, at their meeting held on April 23rd, 2026, considered and approved the appointment of **M/s. M.P. Turakhia & Associates, Cost Accountants** (Firm Registration No. 000417) for the conduct of the cost audit of the Company's Fertilizer manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon & Dahej and Chemicals & Speciality Chemicals manufacturing units at Nimrani, Jhansi, Malwan & Rajnandgaon at a remuneration of Rs. 3,50,000/- plus taxes as applicable and

reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2027.

The Resolution at Item No. 4 of the Notice is set out as an **Ordinary Resolution** for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

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

Item No. 5:

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting by passing a Special Resolution, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company. As the business of the Company is growing, requirement of funds is increasing for expansion of business. In order to pursue opportunities that add value through both organic and inorganic means, it is crucial for the company to have access to specific funding options within a specified timeframe. This will enable the company to pursue, finance, and successfully complete transactions in the best interest of its stakeholders. Therefore, it is essential to obtain board and shareholder approval for increasing the borrowings limits from '600 Crores (' Six Hundred Crores Only) to '800 Crores (Rupees Eight Hundred Crores Only) under section 180(1)(c). It would be in the interest of the Company to enhance the borrowing limits for the Board and authorize the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves and securities premium but that shall not to exceed '800 Crores (Rupees Eight Hundred Crores Only). The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The Board of Directors has unanimously approved the above proposal at its meeting held on May 14, 2026 and recommends the special resolution as set out in item no. 5 for approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6:

As per the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act"), a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution. In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favor of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Act. In view of the revision in the borrowing limit as set out in Item No. 6, the Board recommends a revision in the limit up to which charge can be created on assets/properties in line with the revised borrowing limit.

The Board of Directors has unanimously approved the above proposal at its meeting held on May 14, 2026, and recommends the special resolution as set out in item no. 6 for approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No.7:

Shri Utsav Khaitan was appointed as a Joint Managing Director in 41st Annual General Meeting of the Company w.e.f. 01.05.2023 for a period of Three (3) years.

The present term of appointment of Shri Utsav Khaitan is expiring on 30.04.2026 and it would be appropriate to re-appoint him for a further period of Three (3) years commencing from May 1, 2026 to April 30, 2029. The Board of Director of the Company at its meeting held on 23.04.2026 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 23.04.2026, re-appointment of Shri Utsav Khaitan as Joint Managing Director (KMP) of the Company subject to the approval of members of the Company in Annual General Meeting to be held on Tuesday, 21st day of July, 2026 as a Special Resolution for a period of three years from May 1, 2026 to April 30, 2029 at the remuneration, in accordance with norms laid down in Schedule V and other applicable provisions of Companies Act, 2013 and rules made thereunder.

The information in respect of terms of remuneration & perquisites is given below:

Remuneration, benefits and perquisites:

I. **Salary:** Rs. 14,00,000/- (Rupees Fourteen Lacs) per month, with an annual increment of Rs. 1,00,000/- (Rupees One Lac) per month. Salary will be subject to the deduction of Income tax at the applicable rates, under the Income Tax Act, 1961.

II. **Commission:** 1% on the net profit of the Company, computed in manner laid down under the Companies Act, 2013 subject to the maximum 100% of the salary.

III. Allowances & Perquisites:

a) Medical Allowances:

Medical Allowance- equivalent to one month's salary in a year.

b) Leave and Leave Travel Allowances:

Leave Travel Allowance- equivalent to one month's salary in a year.

Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

c) Club Fees:

He shall be entitled to the reimbursement of fees of any two clubs in India. This will not include admission and life membership fee.

d) Superannuation:

Superannuation- equivalent to one month's salary in a year.

IV. Limits on Remuneration:

The remuneration as specified in clauses above shall be subject to the overall limits as specified under Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

V. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Shri Utsav Khaitan shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

VI. Sitting Fees:

He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company.

Shri Utsav Khaitan is liable to retire by rotation during his tenure as the Joint Managing Director.

There shall be relations with Shri Utsav Khaitan and the Company as an employee and employer for all the purposes.

Shri Utsav Khaitan is Son of Shri Shailesh Khaitan, Chairman & Managing Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made there under Except Shri Utsav Khaitan, being an appointee and Shri Shailesh Khaitan, Chairman & Managing Director, being his

relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Utsav Khaitan is holding 13,439 Equity shares consisting 0.1% of the paid up share capital of the Company. This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the Appointment of Shri Utsav Khaitan, as the Joint Managing Director.

The resolution for seeks approval of members as an **Special Resolution** for the Re-appointment of Shri Utsav Khaitan as a Joint Managing Director of the Company with effect from May 1, 2026 to April 30, 2029, pursuant to the provisions of Section 117, 152, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

Annexure-I

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of Director	Praveen Uniyal	Utsav Khaitan
DIN	08714038	03021454
Age/Date of Birth	59 years/16.12.1968	36 years / 25.04.1991
Qualification	B. Com. (Hons.)	B.Sc. (Economics)
Date of Appointment	16.01.2025	20.05.2014
Key skills, Expertise and competencies	Experienced in liaising with government agencies and handling regulatory processes, ensuring compliance and smooth coordination for statutory approvals and corporate requirements	Shri Utsav Khaitan holds a degree in Economics from New York University and has expertise in marketing. He possesses strong skills in consumer behavior analysis, brand development, and digital marketing, along with a strategic and data-driven approach to driving business growth.
Other Directorships (excluding Pvt. Companies and section 8 companies as on date	Nil	Nil
Chairman / Member of the Committees of other public companies as on as on date	Nil	Nil
Shareholding (No. of Shares)	Nil	13,439
Inter-se Relationship between Directors/manager/Kmp's	None	Son of Mr. Shailesh Khaitan (Managing Director)
Name of Listed entities from such Director resigned/retired during the three (3) years	None	None
Terms, Remuneration proposed to be paid & Conditions of Appointment	As mentioned in the notice of extra ordinary General Meeting held on 27.03.2025 as per resolution set out at Item No.2 & 3 of the Notice read with statement pursuant to Section 102 of the Act.	As mentioned in the resolution set out at Item No. 8 of the Notice read with statement pursuant to Section 102 of the Act.
Number of meetings of the Board attended during the financial year 2025-26 (up to the date of notice)	3	3
Remuneration last drawn (For F.Y. 2025-26	5,27,106	0
Date of 1 st Appointment on the board	January 16, 2015	May 20, 2014



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 44th Annual Report of your Company alongwith Audited Financial Statement for the financial year ended 31st March, 2026.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2026 is summarized below:

	(Rs. in Lacs)	
Particulars	2025-26	2024-25
Sales	100,162.94	72,016.77
Total Income	100,313.07	72,102.58
Profit before interest, depreciation, exceptional items and Tax	11,449.91	2391.66
Less: Financial Cost	3289.55	2980.70
Cash Profit before tax	8,160.36	(589.04)
Less: Depreciation	987.61	1060.94
Exceptional Items	-	-
Profit /(Loss) before taxation	7172.75	(1649.98)
Provision for current tax	-	-
Income Tax of earlier year	5.10	0.27
Deferred tax	291.70	(1790.16)
Profit /(Loss) after taxation	6875.95	139.91
Transfer to General Reserve	-	-
Earning Per Share (face value of Re. 1/- each)	7.09	0.14

REVIEW OF OPERATIONS

FERTILIZER, CHEMICALS & SPECIALITY CHEMICALS DIVISION:

During FY 2025-26, the Fertilizer, Chemicals & Specialty Chemicals Division operated in a by and large stable business environment excepting the continuous rise in prices of one of the raw material influenced by the Russia-Ukraine war. However, as always the Company continued to focus on operational efficiency, cost optimization, inventory management and strengthening of its market presence.

The Company has produced 4,40,271 MT (previous year 3,73,870 MT) of Single Super Phosphate (SSP) Fertilizer and 183,943 MT (previous year 198048 MT) of Chemicals & Specialty Chemicals and sold 454,276 MT of SSP (previous year 4,40,365 MT) & 128,086 MT of Chemicals (previous year 125397 MT) respectively.

During the current financial year, the turnover of your Company increased from Rs. 72,102.58 lacs in FY 2024-25 to Rs. 100,313.07 lacs in FY 2025-26. The Company's profit before interest, depreciation, exceptional items and tax improved significantly from Rs. 2,391.66 lacs in FY 2024-25 to Rs. 11,449.91 lacs in FY 2025-26.

The Company reported a cash profit before tax of Rs. 8,160.36 lacs during FY 2025-26 as against a cash loss of Rs. 589.04 lacs in the previous financial year. Further, the Company reported a net profit after tax of Rs. 6,875.95 lacs in FY 2025-26 as compared to a net profit of Rs. 139.91 lacs in FY 2024-25.

In response to the trend in international fertilizer prices, the Government of India (GOI) increased the NBS rates to 7263 Rs. per MT (earlier Rs 5121) from April 2025 to September 2025, and subsequently increased to 7408 Rs. (earlier Rs 7263) per MT from October 2025 to March 2026. This helped improve the profitability of the SSP Industry.

The Preliminary indicators for year 26-27 suggest the likelihood of normal monsoon in the first half of the season with shortfalls in the second half i.e. after July. The NBS rates have been further increased to

Rs 8149 per MT (earlier Rs 7408). The Ministry of fertilizers has also indicated continued support with freight subsidy as given to other "phosphatic and potassic" fertilizers.

However, the continuous rise in prices of Sulphur one of the major raw materials Company remains cautiously optimistic, as subsidy policies, global raw material pricing, and compecan pose a challenge for fertilizers division. The Company is however confident that strategic planning, and operational efficiency will enable it to counter any adverse impact in FY 2026-27.

DIVIDEND

The Board of Directors is pleased to recommend final dividend of Rs.0.05/- per equity share (face value of Re. 1/- per share) for the financial year 2025-26

DIVIDEND DISTRIBUTION POLICY:

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board has approved and adopted the Dividend Distribution Policy and the detail of the Dividend Distribution Policy has been uploaded on the Company's website, Web-link: <http://kcfl.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy-.pdf>

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2026 was Rs. 969.89 Lacs divided into 9,69,89,200 shares of Re. 1/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

RESERVES AND SURPLUS

The Company hasn't transferred any amount to General Reserves for the financial year 2025-26

INVESTORS EDUCATION & PROTECTION FUND

Dividend which was declared by the Company for the financial year ended March 31, 2019 at the Annual General Meeting held on August 9, 2019 and remained unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on October 7, 2026 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 31, 2019 from the shareholders.

PROJECTS & FINANCE

The Company did not avail of any term loan during FY 2025-26. However, it repaid a net term loan of Rs. 8.44 crores during the year. In comparison, a net term loan of Rs. 7.61 crores was repaid in FY 2024-25.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review, pursuant to the provisions of Section 73 of the Companies Act, 2013 & the Deposit Rules made there under.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information required under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed in Form-A of Annexure 'A' and forms part of the report.

Your directors are of the opinion that the Company has already opted for latest technology for producing Single Super Phosphate and Sulphuric Acid. Hence, information specified to be given in Form-B of Annexure 'A' is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Report (Annexure-B).



FOREIGN EXCHANGE EARNING AND OUTGO

The Company has earned Rs. NIL on export of goods (Previous year Rs. NIL) and incurred Rs. 25246.28 lacs (Previous Year Rs. 11689.74 lacs) on Import of Raw Materials, Fees & Subscription, and Interest on Foreign Currency Loan (Buyer's Credit)

DIRECTORS

The Board is pleased to announce the appointment of **Mr. Suman Jyoti Khaitan (DIN: 00023370) as an Additional Director (Non-Executive, Independent Director)** of the Company, effective October 29th, 2025. Members have approved his appointment on 12th January, 2026 through Extra-Ordinary General Meeting.

Furthermore, Mr. Inder Jit Singh ceased to be a Director of the Company upon resignation as an Independent Director at the close of business hours on October 29th, 2025.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received disclosures from all the directors and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

During the year, the Board of Directors met four (4) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report (**Annexure - C**).

KEY MANAGERIAL PERSONNEL:

The following employees were designated as whole-time key managerial personnel as required under section 203 of the Companies Act, 2013 by the Board of Directors during the year under review:

- Shri Shailesh Khaitan, Chairman & Managing Director;
- Shri Utsav Khaitan, Joint Managing Director;
- Shri Harsh Vardhan Agnihotri, President & Chief Financial Officer;
- Ms. Sejal Maheshwari, Company Secretary & Compliance Officer and

INDEPENDENT DIRECTORS DECLARATION

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 read with Regulation 16 (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

CORPORATE GOVERNANCE

Your Company has always striven to maintain appropriate standards of good corporate governance. The report on corporate governance as stipulated under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance as stipulated under the said clause is attached to this report. (**Annexure – C**).

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no Subsidiary/Joint Venture/Associate Company.

PARTICULARS OF LOAN, GUARANTEES, INVESTMENTS:

During the year under review, the Company has not made any investments or given loan or provided security or guarantees falling under the provisions of Section 186 of the "the Act".

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the requirement of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil

Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the details of the Whistle Blower Policy has been uploaded on the Company's website, Web-link: <http://kcfli.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf>

COMPOSITION OF AUDIT COMMITTEE

As per the requirement of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The present strength of the Audit Committee comprises of Shri Deepak Kumar Khemka, Chairman, Shri Suman Jyoti Khaitan, Mrs. Payal Gupta as its members. All the members of the Audit Committee are independent and non-executive directors. The recommendations of audit committee were duly accepted by the Board of Directors.

However, the composition of the Committee has undergone a change pursuant to the resignation of Mr. Inder Jit Singh as an Independent Director with effect from the close of business hours on October 29, 2025, and the appointment of Mr. Suman Jyoti Khaitan as a member of the Committee with effect from the same date.

Accordingly, with effect from October 29, 2025, the Committee comprises Shri Deepak Kumar Khemka as Chairman, and Mr. Suman Jyoti Khaitan and Mrs. Payal Gupta as its Members.

NOMINATION & REMUNERATION COMMITTEE AND POLICY

Pursuant to Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination & Remuneration Committee, comprises of Shri Deepak Kumar Khemka, Chairman, Shri Suman Jyoti Khaitan, Mrs. Payal Gupta as its members.

The Nomination & Remuneration Committee framed a policy for selection and appointment, re-appointment, removal, appraisals of Directors and Senior Management and the same is stated in the Corporate Governance Report (**Annexure – C**).

However, the composition of the Committee has undergone a change pursuant to the resignation of Mr. Inder Jit Singh as an Independent Director with effect from the close of business hours on October 29, 2025, and the appointment of Mr. Suman Jyoti Khaitan as a member of the Committee with effect from the same date.

Accordingly, with effect from October 29, 2025, the Committee comprises Shri Deepak Kumar Khemka as Chairman, and Mr. Suman Jyoti Khaitan and Mrs. Payal Gupta as its Members.

AUDITORS & AUDIT REPORT

The Company had re-appointed M/s. NSBP & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for carrying out the Statutory Audit of the Company for the Term of 5 years commencing from the conclusion of 40th Annual General Meeting to the conclusion of 45th Annual General Meeting of the Company (from Financial Year 2022-23 to 2026-27). The Company has received a certificate from them to the effect that their appointment as Statutory Auditors of the Company, would be within the limit prescribed u/s 139 & 141 of the Companies Act, 2013 & also received a peer review certificate issued by the ICAI 'Peer Review Board', as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed there under, either to the Company or to the Central Government.

The notes on accounts referred to and the Auditors' Report are self-explanatory and therefore do not call for any explanatory note.

COST AUDITOR:

The Board of Directors, in pursuance of an order under section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit &



Auditors) Rules, 2014, issued by the Central Government, has appointed on the recommendation of Audit Committee M/s. M.P. Turakhia & Associates, Cost Accountants, Indore as Cost Auditors to conduct audit of the cost accounts maintained by the Company in respect of Fertilizer, Sulphuric Acid and Soya products for the financial year 2026-27.

As required under Companies Act, 2013 a resolution seeking member's approval for the remuneration payable to cost Auditor forms part of the notice conveying the Annual General Meeting for their ratification.

INTERNAL AUDITOR:

M/s. APAS & Co., Chartered Accountants, New Delhi is appointed as Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2026-27, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthens the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed on the recommendation of Audit Committee and board M/s. Ritesh Gupta & Co., Partnership firm, Indore (Unique code- P2025MP106200), to undertake the Secretarial Audit of the Company for the financial year 2025-30.

The Secretarial Audit Report for the year 2025-26 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is self-explanatory and therefore do not call for any explanatory note and the same is annexed herewith as **(Annexure - D)**.

SECRETARIAL STANDARDS:

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to Section 135 of Companies Act, 2013 and the relevant rules, the Corporate Social Responsibility Committee as on 31.03.2026 comprises of Shri Utsav Khaitan as the Chairman and Shri Deepak Kumar Khemka, Mr. Suman Jyoti Khaitan & Mrs. Payal Gupta as its members. The detailed CSR Policy has been uploaded on Company's Website, **Web-link:**<http://kcfl.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf>

The details on CSR activities are annexed herewith as **(Annexure - E)**

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Business Responsibility and Sustainability Report, as required under the Listing Regulation, is annexed as **Annexure "H"** to this report.

BOARD EVALUATION

Pursuant to the provisions of section 134 (3)(p) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees with the Company.

ANNUAL RETURN:

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended March 31, 2026 will be uploaded on the website of the Company and the web link of the same is <http://kcfl.co.in/annual-return/>

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2026 and of the profit & loss of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956/2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.
5. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY:

As per the requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Policy on Materiality of Related Party Transactions. All such transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and the same has been approved by the Board. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and the same is been reviewed by the Audit Committee on quarterly basis. The company has framed Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and is placed on the Company's website and the web link for the same is <https://kcfl.co.in/wp-content/uploads/2026/04/POLICY-ON-MATERIALITY-OF-AND-DEALING-WITH-RELATED-PARTY-TRANSACTIONS.pdf>

The Company has also formed Related Party Transactions Policy and the web link for same is <https://kcfl.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf>

Pursuant to the provisions of Section 134 (3) (h) of the Companies Act, 2013, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, and prescribed in Form AOC-2 of Companies (Accounts) Rules, 2014, are appended as **Annexure-F** to this report. Related Party Transactions during the year have been disclosed as a part of Financial Statements



as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

LISTING OF SHARES

Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), which provides a wider access to the investors nationwide.

The Company has made all the compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of Annual Listing fees up to March 31, 2026 to the Stock Exchanges.

DEMATERIALIZATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on March 31, 2026, **99.18%** of the share capital stands dematerialized.

RISK MANAGEMENT

1. Risk Management Committee:

Pursuant to Regulation 21 (5) of the SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015, the Board has constituted the Risk Management committee. At present Risk Management committee constitutes Mr. Utsav Khaitan, Chairman and Mrs. Payal Gupta and Mr. Deepak Kumar Khemka as its members, to frame, implement and monitor risk management plan of the Company.

2. Risk Management Policy:

The Company has in place Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013, which requires the Company to lay down procedure for risk assessment and risk minimization. The Board of Directors, Audit committee and the Senior Management of the Company should periodically review the policy and monitor its implementation to ensure the optimization of business performance, to promote confidence amongst stake holders in the business processes, plan and meet strategic objectives and evaluate, tackle and resolve various risks associated with the Company. The business of the Company is exposed to various risks, arising out of internal and external factors i.e. Industry, Competition, Input, Geography, Financial, Regulatory, Other Operational, Information Technology related other risks.

The details of Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013 has been uploaded on Company's Website in policies section at <http://kcfi.co.in/wp-content/uploads/2022/05/Risk-Management-Policy.pdf>

Implementation of the Scheme:

The functional managers at all locations will be responsible for identifying and assessing the risks within their areas of responsibilities and actions agreed beforehand to resolve such risks. They will report for any new risk or changes in the existing risk to the President/Managing Director. The Board and the senior executives of the Company will oversee the implementation of the policy and review the same periodically; the Board will be updated on key risks faced by the Company and the mitigating actions taken to resolve them.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees

(permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2025-26.

No of complaints received: NIL

No of complaints disposed off: Not Applicable

Pending: Not Applicable

Compliance under the Maternity Benefit Act, 1961

The Company has duly complied with the provisions of the Maternity Benefit Act, 1961, and has extended all applicable benefits to eligible women employees, as prescribed under the said Act.

Number of employees as on the closure of financial year

Female-6

Male-638

Transgender-0

MATERIAL CHANGES AFFECTING FINANCIAL POSITIONS OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the Company, between the end of the financial year of the Company and the date of this report. There is no order passed by any regulator or court or tribunal against the company, impacting the going concern concept or future operations of the Company.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules there under as amended from time to time, forms part of this report (**Annexure-G**).

There are no instances of employees who was in receipt of remuneration in excess of the limit prescribed in provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules made there under.

In accordance with the provisions of Section 136 of the Act, the Annual Report and Accounts are being sent to all the Members of the Company excluding the aforesaid information and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary of the Company.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

APPRECIATION:

The Board of Directors wish to place on record its sincere appreciation for the support and co-operation received from all its stakeholders including customers, promoters, shareholders, bankers, suppliers, auditors, various departments/ agencies of Central/State Government and other business associates of the Company.

Your Board recognizes and appreciates the contributions made by all employees at all level that ensure sustained performance in a challenging environment.

For and on behalf of the Board

(SHAILESH KHAITAN)

CHAIRMAN & MANAGING DIRECTOR

DIN: 00041247

Place: New Delhi

Date: 23rd April, 2026



I - Form 'A' for disclosure of particulars with respect to conservation of energy and forming part of Directors Report:

A) Power & Fuel Consumption:

	Current Year	Previous Year
1. Electricity:		
a) Purchased Units (KWH)	17004141	16619454
Total amount (Rs. in Lakhs)	1518.23	1527.22
Rate/Unit (Rs.)	8.93	9.18
b) Own generation:		
i. Through diesel generator Units(KWH)	34699	17506
Total amount (Rs. in Lakhs)	13.03	9.80
Rate/Unit (Rs.)	37.55	55.98
ii. Through steam turbine Units *(KWH)	13519250	13458377
Total amount	-	-
(*Net of Self Consumption in TG)		
2. Coal:		
Quantity (In MT)	5351.996	4902.112
Total Cost (Rs. in Lakhs)	418.91	392.78
Rate/Unit (MT) (Rs.)	7827.17	8012.38
3. Furnace oil:		
Quantity (K. Lts.)	0	85
Total Amount (Rs. in Lakhs)	0	44.28
Average Rate /Lt.	0	52.10

B) Consumption per Unit of Production:

Item	Product	Current Year	Previous Year
Electricity (KWH/MT)	S.S.P./G.S.S.P	39.66	42.98
	S.A./Oleum/Liquid So3	70.59	70.30
	SSF	313.66	310.12
Coal (KG/MT)	G.S.S.P.	25.61	27.67



Management Discussion & Analysis Report

CAUTIONARY STATEMENT

Some of the statements in the report may be forward looking and are stated as required by applicable laws & regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook

The Company's Performance is dependent on several external factors such as performance of monsoons, government policy, fluctuation of prices of raw material and finished products and also their availability.

BUSINESS OVERVIEW:

The Company is mainly engaged in the manufacture of Single Super Phosphate (Fertilizer), Sulphuric Acid and other chemicals; the main business segment is related to agriculture and greatly affected by monsoons.

Segment-wise Business Review and Operational and Financial Performance:

The summarized performance of the Company in terms of production and sales for last 5 years is as under:

(Quantity in MT)

Particular	2025-26	2024-25	2023-24	2022-23	2021-22
Production:					
Fertilizer (SSP)	4,40,271	3,73,870	4,35,810	4,92,613	5,34,645
Chemicals & Speciality Chemicals	183,943	198,048	1,96,143	2,06,377	2,13,969
Sales:					
Fertilizer (SSP)	4,54,276	4,40,365	3,45,851	4,73,194	5,33,654
Chemicals & Speciality Chemicals	1,28,086	1,25,397	1,07,533	1,13,681	1,17,910

The summarized financial performance of the Company for last 2 years is as under:
(Rs. In lacs)

Particular	2025-26	2024-25
Sales		
Fertilizer (SSP)	81953.22	63,619.15
Chemicals & Speciality Chemicals	26199.50	13,627.27
Segment Operating Profit/(Loss) (PBIT):		
Fertilizer (SSP)	6350.63	(977.19)
Chemicals & Speciality Chemicals	4111.67	2307.91
EPS(Rs) :	7.09	0.14
Dividend:	0.05 per share	-
Face Value (Per share)	1/-	1/-

The Government of India ("GOI") has successfully implemented the Direct Benefit Transfer ("DBT") system in the fertilizer sector to improve transparency, efficiency, and accountability in subsidy disbursement. Further, the GOI continues to evaluate and undertake initiatives towards strengthening the DBT framework, including pilot projects aimed at facilitating direct benefit transfer to farmers.

The Company believes that such reforms and continued digitization efforts by the Government are expected to enhance operational efficiencies, improve subsidy management, and support long-term growth and transparency in the fertilizer industry.

During the current financial year, the turnover of your Company increased from Rs. 72,102.58 lacs in FY 2024-25 to Rs. 100,313.07 lacs in FY 2025-26. The Company's profit before interest, depreciation, exceptional items and tax improved significantly from Rs. 2,391.66 lacs in FY 2024-25 to Rs. 11,449.91 lacs in FY 2025-26.

The Company reported a cash profit before tax of Rs. 8,160.36 lacs during FY 2025-26 as against a cash loss of Rs. 589.04 lacs in the previous financial year. Further, the Company reported a net profit after tax of Rs. 6,875.95 lacs in FY 2025-26 as compared to a net profit of Rs. 139.91 lacs in FY 2024-25.

FERTILIZER, CHEMICALS & SPECIALITY CHEMICALS DIVISION:

The Company has one of India's largest Single Super Phosphate (SSP) Fertilizer production capacity of 11,13,500 MT in the states of Madhya Pradesh, Rajasthan, Uttar Pradesh, Chhattisgarh & Gujarat alongwith Chemicals production capacity of 2,70,600 MT in the States of Madhya Pradesh, Uttar Pradesh & Chhattisgarh. Sulphuric Acid is also a raw material for production of SSP.

The Company has produced 4,40,271 MT (previous year 3,73,870 MT) of Single Super Phosphate (SSP) Fertilizer and 183,943 MT (previous year 198,048 MT) of Chemicals & Specialty Chemicals and sold 454,276 MT of SSP (previous year 4,40,365 MT) & 128,086 MT of Chemicals (previous year 125,397 MT) respectively.

The Company is continuously trying to improve its share in the fortified high value added fertilizers segment. The products are picking up well in the market.

The Company is continuing its efforts for optimizing its current assets to leverage sales on the one hand and diversifying into new geographical markets on the other. Focus this year is to bring down the inventory levels and reduce carrying costing.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Agriculture is the third largest sector of Indian Economy, which contributes around 17% of total GDP of the Country. Fertilizer Industry, with the emerging scenario, plays vital role in the growth of Agriculture Sector. The balanced use of chemical fertilizer is important not only for increasing agricultural productivity but also for sustaining soil fertility.

Single Super Phosphate is a multi nutrient fertilizer containing phosphate (16%) and sulphur (11%) as primary nutrients. SSP is applied as a basal fertilizer being rich in secondary nutrients like calcium and magnesium oxide and several micro nutrients. It is an essential Fertilizer for crops likes Oil seeds, Pulses, Sugarcane, Fruits and Vegetables, Tea etc. and for sulphur deficient soils. Main features of SSP Fertilizer Industry are-

- Basic need for agriculture and its development.
- SSP is a multi-nutrient fertilizer containing P₂O₅ as primary nutrient and Sulphur, Calcium & magnesium as secondary nutrients.
- SSP fertilizer is the lowest priced fertiizer per kg, and preferred by small & marginal farmers.
- Highly dependent on Imported Raw Material.
- Subsidised by Government of India to control the prices of the input to the farmers.
- Substantial Import of Finished Products other than SSP.

Agronomic Importance of SSP:

- SSP helps in improving root growth and development which is most important for uptake of plant nutrient and water.
- For Leguminous crops like groundnut, use of SSP, ensures a large number of nodules on the roots, which fix atmospheric Nitrogen directly into the soil and also increase Nitrogen uptake.
- SSP improves soil aeration and increase water holding capacity of the soil and increase root growth which increase crop yield.
- Oil content of Groundnut and other oil seeds increases. The quantity and quality of oil seeds crops increases.
- In Sugarcane, the sugar content increases which provide more production and monetary benefit to the farmers
- SSP increases resistance power of the plants against attack of pest and disease.
- SSP increases protein content in pulses crop
- SSP helps in leaching excess water from the root zone and prevent yellowing of the crop
- SSP improves storage capacity of product
- SSP also acts as a soil reclaiming agent.

SSP, which is a poor farmer's fertilizer (price wise), is an option to optimize the use of phosphate fertilizers. It also helps to treat sulphur deficiency in soil (about 36% of Indian soil is Sulphur deficient) as well as for further enhancement of yields at the least cost. SSP being an indigenously manufactured fertilizer saves on foreign exchange outgo vis a vis imported phosphoric fertilizers.

The current year under review was comparatively much more favorable for the fertilizer industry as a whole and also the SSP industry. The monsoons were also 109% of Long Period Average leading to better sales. The GOI also supported with increase in subsidy rates. However, the prices of Sulphur one of the major raw materials of the Company saw a continuous increase in prices posing a challenge, which had to be overcome with strategic management and cost controls.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



The Government approved enhanced Nutrient Based Subsidy (NBS) rates for Kharif 2025 and also for Rabi 2025. NBS rates were increased to 7263 Rs. per MT (earlier Rs 5121) for Kharif 2025, and subsequently increased to 7408 Rs. (earlier Rs 7263) per MT Rabi 2026.

Government is though continuously expressing its desire to encourage SSP to substitute imports of DAP and NPK is an indicator of upward trend in the Industry's future. Hopefully this shall be reflected in its policies soon.

Future Outlook:

The continued emphasis on enhancing agricultural productivity is expected to result in improved farm incomes and drive increased demand for fertilizers. Single Super Phosphate (SSP), a customized fertilizer containing phosphate along with sulphur, calcium, and other micronutrients, is likely to see sustained demand due to its suitability for various soil and crop types.

The continuous increase in Sulphur prices have made SSP viability very difficult for Sulphur based production following the west asia crisis. The Company has shut fertilizer operations in its Jhansi and Malwan units being totally unviable. These units are also adversely impacted due to the freight subsidy policy prevailing as on date apart from the high costs of Sulphur. In its other units the Company continues to produce fertilizer based upon acid procured from the smelter units and dilute sulphuric acid procured from the market. These two units may resume production once the situation normalizes.

The monsoon for 2026 is forecasted to be normal in the first half i.e. in June and July and below normal in August and September. This can adversely impact the performance of the fertilizer division.

Direct Benefit Transfer (DBT) in Fertilizer Subsidy-

Since March 2018, the Government of India has implemented the Direct Benefit Transfer (DBT) system in the fertilizer sector. Under this mechanism, subsidies are disbursed to fertilizer companies only after the sale to farmers is recorded through Point of Sale (PoS) devices at retail outlets. Approximately 2.3 lakh fertilizer retailers across the country are equipped with PoS machines integrated with the Ministry of Chemicals and Fertilizers "e-Urvarak" platform, ensuring real-time tracking of fertilizer sales and promoting transparency in subsidy disbursement.

Recent Policy Developments (2025-2026)

Consideration of Direct Subsidy to Farmers: In May 2025, Union Agriculture Minister Shivraj Singh Chouhan indicated that the government is contemplating the possibility of transferring fertilizer subsidies directly to farmers. This approach aims to provide farmers with greater autonomy over their input purchases. However, the proposal remains under consideration and has not yet been implemented.

Nutrient-Based Subsidy (NBS) for Kharif 2025: In April 2026, the Union Cabinet approved the Nutrient Based Subsidy (NBS) rates for Kharif 2026 for Phosphatic and Potassic (P&K) fertilizers with an estimated outlay of approximately Rs. 41,533.81 crores as against Rs. 37,216.15 crores for Kharif 2025. The subsidy has been further increase while considering the increase in international prices of fertilizers for the quarter April to June 2026. Further, during Rabi 2025–26, the subsidy for Single Super Phosphate (SSP) was increased to Rs. 7,408 per MT, providing support to the SSP industry and improving affordability for farmers.

Special Subsidy on DAP: The Government continued to provide additional support for Di-Ammonium Phosphate (DAP) to maintain affordability for farmers amidst volatility in global fertilizer and raw material prices. The continued policy support helped stabilize retail prices of DAP and ensured adequate availability of fertilizers in the domestic market.

The Government also seems keen to implement the last phase of the subsidy reforms by way of direct benefit transfer to the farmers. The GOI has initiated a pilot project for the final phase of DBT and hopefully on conclusion of the pilot project the Subsidy maybe directly transferred to the farmers. It shall be very beneficial for the SSP Industry. The Nutrient Based Subsidy direct benefit transfer to farmer is the long term objective of the Fertilizer Ministry. This shall benefit particularly the SSP Industry, being the least expensive fertilizer amongst all Fertilizers. During FY 2025–26, the prices of Rock Phosphate remained more or less stable.

However, Sulphur prices witnessed a significant increase in the international market. The impact of higher input costs was partially offset by enhanced subsidy support announced by the Government under the Nutrient Based Subsidy (NBS) scheme for Kharif 2025 and Rabi 2025.

In the long term, we expect the west asia crisis should resolve and the performance of the Company is expected to be better considering its basic strengths like high integrated capacity which is already operational, multi-geographical locations and established brands. The well maintained plant and equipments ensure uninterrupted production and distribution of goods.

Looking ahead, we remain optimistic about the future outlook for our business. We are committed to pursuing growth opportunities, enhancing operational efficiency, and delivering value to our stakeholders. By focusing on innovation,

sustainability, and customer satisfaction, we aim to consolidate our position as a leading player in the fertilizer and chemical industry.

Opportunity, Threats, Risk & Concerns:

The Company welcomes the Government's plan to introduce DBT subsidy directly to farmers which shall give the farmers unrestricted choice as well as make them understand the real worth of fertilizer used by them.

The Company is in an advantageous position for tapping its already established production capacity with multi-geographical locations; wide spread marketing network and high brand value for its product.

NBS policy as envisaged has attracted new entrants in the market, which in fact shall be better for the wider reach of this long neglected product and establishing the SSP Industry in its right place. However, entry of new entrants in overall bad market conditions has created excess supply in the market resulting into changing consumption and stocking patterns necessitating higher inventories.

SSP fertilizers are based on imported raw-materials which can face severe volatility in prices and foreign currency exchange rates, affecting the profitability of the Company. Agro-Climatic conditions also have a large effect on the performance of the Company.

Uncertainty of monsoon, volatile international market of raw material, seasonal consumption of fertilizer mainly in two months each in Kharif and Rabi, lack of awareness of benefits of SSP consumption amongst farmer fraternity, clubbed with logistics availability/cost and higher requirement of working capital shall remain concerns for the Industry & of the Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company conducts its business with integrity and high standards of ethics, and in compliance with the laws and regulations that govern its business. The Company has a well established system of internal controls in operations, supported by suitable monitoring procedures and self-assessment exercises. The financial and commercial functions at various locations are structured and reviewed timely to provide adequate support and controls for the business of the Company.

In addition to external audit, the Company has appointed M/s APAS & Co., Chartered Accountants, as an Internal Auditor, who report significant findings to the Audit Committee of the Board. Consequently, required steps are taken to improve the operations.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

The ability to attract, onboard, develop and engage the right kind of talent is crucial to an organization's long term success. Company strongly believes in continuously taking steps towards talent management, leadership development, and employee engagement. Employees are the back-bone of good organization and to motivate them to achieve greater heights, the Company undertook various HR initiatives towards their development, enhancement and retention. The Company considers its highly motivated and well-maintained team as its most valuable asset. As on 31.03.2026, the Company has employed 644 peoples at various locations in India.

Amidst all the pressures and demands of the growing business, Industrial Relations continued to be reasonably cordial with our Union(s).

ENVIRONMENT AND SAFETY:

The Company has always considered safety and environment one of its key focus area and has always striven to make continuous improvement in these two aspects.

At Company, environment concerns have always taken precedence; to address the concerns on Environment Protection, the Company has set up an Online Monitoring System at all the plants and concrete efforts were made towards natural resource conservation by way of Water Harvesting, Sewage Treatment Plant, etc.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS-

Ratio Analysis	As at 31.03.2026	As at 31.03.2025	Unit (Times/percentage/days)
Current Ratio	1.48	1.32	Times
Debt-Equity Ratio	1.04	1.40	Times
Debt Service Coverage Ratio	3.06	0.64	Times
Return on Equity Ratio	22%	0.63%	percentage
Inventory Turnover Ratio	4.55	2.88	Times
Trade Receivable turnover Ratio	14.87	11.88	Times
Trade Payable turnover Ratio	13.38	10.29	Times
Net Capital turnover Ratio	3.90	3.25	Times
Net Profit Ratio	6%	0.19%	percentage
Return on Capital Employed	21%	0.55%	percentage
Return on Investment Ratio	9%	0.23%	percentage

CONCLUSION:

The Company dwells on chalking out the best possible future plans and policies so as to avoid the pitfalls and following the best course in the long run. In both the business segments, a focus on assets utilization, earning maximization, continuous growth and relentless strengthening of the internal efficiencies will enable the Company to deliver superior value for its shareholders on a sustained basis in future.



In accordance Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Khaitan Chemicals and Fertilizers Limited is as under:

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including the inter-action with employees, shareholders, creditors, consumer, institutional and other term lenders and place due emphasis on regulatory compliance.

The Company has an active, experienced and a well-informed Board. The Board along with its committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

2. BOARD OF DIRECTORS:

COMPOSITION, MEETINGS AND ATTENDANCE:

As on March 31, 2026, the Board of Directors comprised six members. Of these, three were Non-Executive and Independent Directors, namely Mr. Deepak Kumar Khemka, Mrs. Payal Gupta, and Mr. Suman Jyoti Khaitan appointed w.e.f 29 October 2025. Remaining three directors are Mr. Shailesh Khaitan (father of Mr. Utsav Khaitan), an Executive Promoter Director is the Chairman & Managing Director, Mr. Utsav Khaitan (son of Mr. Shailesh Khaitan) Executive Director is the Joint Managing Director of the Company and Mr. Praveen Uniyal, Executive Directors is the Whole Time Director of the Company.

The composition of the Board of Directors meets the stipulated requirement.

The Board's composition and categories as on March 31, 2026, and the attendance of each director at Board meetings and the last Annual General Meeting (AGM) are as under:

DIN	Name of Directors	Category	No. of Directorship in other Cos. (excluding Pvt. Cos.)	No. of Board Committee Memberships in other Cos.	No. of Board Committee for which Chairperson	No. of Board meetings Attended	Whether Attended laar AGM held on 29.08.2025
00041247	Shri Shailesh Khaitan	Promoter, Executive	Two*	NIL	NIL	Four	Yes
03021454	Shri Utsav Khaitan	Promoter, Executive	NIL	NIL	Two	Three	Yes
08714038	Shri Praveen Uniyal	Executive, WTD	NIL	NIL	NIL	Three	Yes
01673395	Shri Deepak Kumar Khemka	Independent, Non-Executive	NIL	NIL	Three	Four	Yes
10558389	Shri Inder Jit Singh#	Independent, Non-Executive	NIL	NIL	One	Three	Yes
10628052	Smt. Payal Gupta	Independent, Non-Executive	NIL	NIL	NIL	Four	Yes
00023370	Shri Suman Jyoti Khaitan###	Independent, Non-Executive	Four**	Four	Four	Two	NA

#Mr. Inder Jit Singh resigned as an Independent, Non- Executive Director w.e.f. closing business hours of 29th October 2025 due to his personal reason along with a confirmation that there are no other material reasons other than those provided.

Board of directors had appointed Mr. Suman Jyoti Khaitan as an Additional Director of the Company w.e.f 29th October 2025. Members have approved the appointment of director on 12th January, 2026.

* Mr. Shailesh Khaitan holds position of director on the boards of **two other companies** (excluding Pvt. Cos) named Shradha Projects Limited & The Fertiliser Association of India.

Mr. Suman Jyoti Khaitan holds position of director on the boards of **four other companies (excluding Pvt. Cos) named Maral Overseas Limited, Dcm Shriram International Limited, RSWM Limited And OCCL Limited

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Directors of Khaitan Chemicals and Fertilizers Limited do not have Directorship in more than twenty Companies or membership of more than ten Board Level Committees or Chairman of more than five such Committees. Further none of the Independent Director act as an independent director in more than seven listed companies.

BOARD INDEPENDENCE:

The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and rules made thereunder and meet with the requirement of Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on business strategies/policies etc. and review the financial performance of the Company.

During the financial year ended March 31, 2026 four Board Meetings were held on April 23, 2025; July 23, 2025; October 29, 2025 and January 21, 2026.

The intervals between two meetings were well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has one Extra-Ordinary General Meeting (EGM) as on Monday, 12th January, 2026

The Company's last Annual General Meeting (AGM) was held on Friday 29th August, 2025.



FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman & Managing Director and Whole Time Directors on the Company's manufacturing, marketing, finance and other important aspects. The web link for the familiarisation programmes for Independent Directors is: <http://kcfli.co.in/wp-content/uploads/2022/05/Familiarization-program-for-IDs.pdf>

KEY BOARD SKILLS, QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Board of the Company is adequately structured to ensure a high degree of diversity by age, education/qualifications, professional background and special skills. The Board of Directors of the Company has identified the following core skills/expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company and its sector and these core skills/expertise/competencies are available with the Board – Finance; Business Strategies; Organizational Capacity Building; Succession Planning; Business Operations; Legal Matters; Corporate Affairs; Company Secretarial Functions; Human Resources; Corporate Social Responsibility; Regulatory Affairs & Consultancy.

The Board of Directors has, based on the recommendations of the NRC, identified the following core skills/expertise/competencies as required in the context of the businesses and sectors of the Company for its effective functioning and the same is mapped against each of the Directors. The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees

The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness

Key Board Skills/Expertise/Competencies

Entrepreneur / Leadership	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Strength demonstrated in developing talent, planning succession and driving change as well as long-term growth.
Industry knowledge and Experience	Industrial Knowledge and Experience related to fertilizer sector, chemical and experience sector, oil, micronutrients, SSP, etc. Must have the ability to leverage the developments in the above areas and other areas as appropriate for betterment of Company's business.
Experience and Exposure in policy shaping and industry advocacy	Ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's business.
Expertise/Experience in Finance & Accounts / Audit / Risk Management areas	Ability to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company across its business lines and geography of operations
Board Service and Governance	Service on other public Company boards, to develop insights on maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Sales & Marketing	In developing strategies to grow sales and market share, build brand Experience awareness and equity, as well as enhance brand reputation.

Name of Director	Entrepreneur / Leadership	Industry Knowledge & Experience	Experience And Exposure in policy shaping and industry advocacy	Expertise/ Experience in Finance & Accounts /Audit / Risk Management areas	Board Service & Governance	Sales and Marketing Experience
Mr. Shailesh Khaitan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Utsav Khaitan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Praveen Uniyal	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Deepak Kumar Khemka	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Payal Gupta	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Suman Jyoti Khaitan	Yes	Yes	Yes	Yes	Yes	Yes

3. COMMITTEE OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day to day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following Committees:

I. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The present strength of the Audit Committee is three as on 31.03.2026. Mr. Deepak Kumar Khemka, is the Chairman of the Audit Committee of the Company. All the members of the Audit Committee are independent and non-executive directors. The recommendations of audit committee were duly accepted by the Board of Directors. The Chairman of the Committee was present at the Annual General Meeting of the Company.

(a) Composition, Name of members, Chairperson, Meetings and Attendance during the year:

The Audit committee consisted of the following members as on March 31, 2026:

S. No.	Name of Members	Status	No. of Meetings Attended
1.	Mr. Deepak Kumar Khemka	Chairman	4
2.	Mr. Suman Jyoti Khaitan**	Member	1
3.	Ms. Payal Gupta	Member	4
4.	Mr. Inderjit Singh*	Member	3



* Mr. Inder Jit Singh ceased to be a Director of the Company and a member of its Committees consequent upon his resignation as an Independent Director with effect from 29th October, 2025.

**Mr. Suman Jyoti Khaitan was appointed as the member of the Committee w.e.f. 29th October 2025.

During the financial year ended March 31, 2026, four Audit Committee Meetings were held on: April 23, 2025; July 23, 2025; October 29, 2025 and January 21, 2026.

The gap between two meetings did not exceed one hundred and twenty days.

- (b) **Terms of reference:** The terms of reference, and the role of Audit Committee is to overview the accounting system, financial reporting, disclosures of financial reporting, internal control system and risk management system of the Company. The powers and role of the Audit Committee are set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.
- (c) **Quorum:** The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- (d) **Secretary to the Committee:** Company Secretary of the Company, acts as the Secretary of the Committee as required by 18 (1) (e) of listing regulations.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The present strength of the Nomination & Remuneration Committee is three as on 31.03.2026. All three are non-executive independent directors Mr. Deepak Kumar Khemka, Mr. Suman Jyoti Khaitan, Mrs. Payal Gupta. Mr. Deepak Kumar Khemka is the Chairman of the Nomination & Remuneration Committee. The Chairman of the Committee was present at the Annual General Meeting of the Company.

(a) **Composition, Name of members, Chairperson, Meetings and Attendance during the year:**

The Nomination & Remuneration Committee consisted of the following members as on March 31, 2026:

S. No.	Name of Members	Status	No. of Meetings Attended
1.	Mr. Deepak Kumar Khemka	Chairman	3
2.	Mr. Suman Jyoti Khaitan**	Member	0
3.	Ms. Payal Gupta	Member	3
4.	Mr. Inder Jit Singh*	Member	3

* Mr. Inder Jit Singh ceased to be a Director of the Company and a member of its Committees consequent upon his resignation as an Independent Director with effect from 29th October, 2025.

**Mr. Suman Jyoti Khaitan was appointed as the member of the Committee w.e.f. 29th October 2025.

During the financial year ended March 31, 2026, three Nomination & Remuneration Committee Meetings were held on: April 23, 2025; July 23, 2025 & October 29, 2025.

- (a) **Terms of reference:** The terms of the reference of Nomination and Remuneration Committee includes deciding the Company's policies on specific remuneration packages for all the directors and designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the board of Directors and the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 178 of the Companies Act, 2013.
- (b) **Quorum:** The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- (c) **Secretary to the Committee:** Company Secretary of the Company acts as the Secretary of the Committee.
- (d) **Performance Evaluation Criteria for Independent Directors:** The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under-

AREAS OF EVALUATION

- Frequency of meetings attended.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Interpersonal relations with other directors and management.
- Familiarity with the objects, operations and other functions of the company
- Exercise of fiscal oversight and monitoring financial performance and monitoring of Corporate Governance Regulations and compliance
- Adherence to Code of Conduct and Business ethics by directors individually and collectively
- Performance of the Chairperson, Whole time Directors of the company and overall performance of the Board / Committees.

(f) **NOMINATION & REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- such other officer as may be prescribed.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



“Senior Managerial Personnel” means the personnel of the Company who are the members of its core management team excluding Board of Directors i.e. President of the Company.

Objective:

The objective of the policy is to guide the Board, in relation to appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management, to evaluate the performance of the Directors, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, so to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and to guide succession plan for the Board and to regularly review the plan.

Role of the Committee:

Considering the size of the Company, the role of the NRC will be the following:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To evaluate / recommend to the Board the appointment/re-appointment and removal of Directors (based on diversity, composition etc.) and Senior Management including their remuneration while keeping in mind that any such process does not distort functional hierarchy.
- Overseeing succession planning for replacing Key Executives.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Broad Policy:

- All the recommendation should adhere to applicable statutory provisions.
- The Committee should give uncompromising high weightage to moral /social/financial integrity of any existing/proposed directors/employees.
- The Committee shall decide its own way of working to interface the Organization.
- The Committee shall communicate all its decisions / recommendations by way of minutes of ‘Nomination and Remuneration Committee’ which shall be considered by the Board of Directors for implementation or otherwise as consider necessary.

Remuneration of Directors:

- (a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2025-26.
- (b) The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings attended by them, of such sum as may be approved by the Board of Directors / Members of the Company within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.

(c) Details of remuneration paid to the Executive Directors for the financial year 2025-26.

(In Rs.)

Name	Designation	Salary	Commission / Sitting Fees	Perks & allowances	Total	Income
Shri Shailesh Khaitan	Chairman & Managing Director	0	-	0	0	3 years
Shri Utsav Khaitan	Joint Managing Director	0	-	0	0	3 years
Shri Praveen Uniyal	Whole Time Director	5,27,106	0	0	5,27,106	3 Years

(d) Details of remuneration paid to non-executive Director for the financial year 2025-26:

At present the Non-Executive Directors are paid remuneration by way of sitting fees Rs. 25000/- & Rs. 10000/- for attending each meeting of the Board and the committees respectively. Details of sitting fees paid to Non-Executive Directors and shares held by them in the financial year 2025-26 are given below:

S. No.	Name of Directors	Sitting Fees (in Rs.)	No.of Shares Hold
1	Suman Jyoti Khaitan	35,000	Nil
2	Shri Deepak Kumar Khemka	2,40,000	Nil
3	Ms. Payal Gupta	2,40,000	Nil
4	Mr. InderJit Singh*	1,75,000	Nil

*Mr. Inder Jit Singh ceased to be director of the Company due to resignation as an Independent Director w.e.f. 29- October 2025.

III. STAKEHOLDER’S RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholder’s Relationship Committee consisting of three members as on 31.03.2026, chaired by Mr. Deepak Kumar Khemka, an Independent, Non-executive Director, Mr. Suman Jyoti Khaitan, an Independent Director, Non-executive Director and Mrs. Payal Gupta an Independent Women Director, of the Company. The Committee meets at regular intervals to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificate, non receipt of declared dividend etc. and to review the status of investors’ grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of share transfer/transmissions approved by the Committee are placed at the Board Meetings from time to time.

(a) COMPOSITION

The constitution of the Stakeholder’s Relationship committee as on 31- March, 2026 is as under:

S. No.	Name of Members	Status	No. of Meetings Attended
1.	Mr. Deepak Kumar Khemka	Chairman, Independent, Non- executive	4
2.	Mr. Praveen Uniyal**	Member, Independent, Non- executive	1
3.	Mrs. Payal Gupta	Member, Independent, Non- executive	4
4.	Mr. Inder Jit Singh*	Member	3

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



(Board of Directors through Circular Resolution on Thursday, November 20, 2025 had approved the Reconstitution of the Stakeholders Relationship Committee)

* Mr. Inder Jit Singh ceased to be a Director of the Company and a member of its Committees consequent upon his resignation as an Independent Director with effect from 29th October, 2025. Mr. Suman Jyoti Khaitan was appointed as the member of the Committee w.e.f. 29th October 2025.

**Mr. Praveen Uniyal was appointed as a Member of the Committee with effect from 20th November, 2025 through Circular Resolution passed on Thursday, 20th November, 2025, and consequently, Mr. Suman Jyoti Khaitan ceased to be a Member of the Committee with effect from the same date. During the financial year ended March 31, 2026 Four Stakeholder's Relationship Committee Meetings were held on; April 23, 2025; July 23, 2025, October 29, 2025 and January 21, 2026.

(b) **QUORUM:** Two Members.

(c) **STATUS OF SHAREHOLDERS' GRIEVANCE:** During the year 2025-26, the Company has received 4 grievances and has resolved the same according to the satisfaction of shareholders within prescribed time. There are no pending grievances as on 31.03.2026.

Shareholder services, enquiries, complaints: It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed Shareholders. We have taken special care in answering the queries of shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

S. No.	Nature of Query	No. of days for Disposal
1.	Share Transfers	15 days
2.	Demat of Shares	7 days
3.	Dividend Revalidation	7 days
4.	Issue of New Shares on surrender of old shares	2 days
5.	Change of Address / Bank Mandate	2 days
6.	General Queries	2 days

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As on 31.03.2026 the Board has constituted a Corporate Social Responsibility Committee consisting of four members chaired by Utsav Khaitan. The composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The terms of reference of the CSR Committee broadly comprises to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress. The detailed CSR Policy has also been uploaded on Company's Website: Web-link: <http://kcfi.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf>.

COMPOSITION

The constitution of the Corporate Social Responsibility Committee as on 31- March, 2026 is as under:

S.No	Name	Chairman/ Member	No. of Meeting Attended
1.	Mr. Utsav Khaitan	Chairman, Whole Time Director	1
2.	Mr. Suman Jyoti Khaitan**	Member, Independent, Non-executive	0
3.	Mr. Deepak Kumar Khemka	Member, Independent, Non-executive	1
4.	Mrs. Payal Gupta	Member, Independent, Non-executive	1
5.	Mr. Inder Jit Singh*	Member	1

* Mr. Inder Jit Singh ceased to be a Director of the Company and a member of its Committees consequent upon his resignation as an Independent Director with effect from 29th October, 2025.

**Mr. Suman Jyoti Khaitan was appointed as the member of the Committee w.e.f. 29th October 2025.

During the financial year ended March 31, 2026, one meeting of Corporate Social Responsibility Committee was held on April 23, 2025.

(a) **Quorum:** Two Members.

(b) **Secretary to the Committee:** Company Secretary of the Company acts as the Secretary of the Committee.

V. RISK MANAGEMENT COMMITTEE:

The Board has constituted a Risk Management Committee consisting of three members, chaired by Shri Utsav Khaitan, Joint Managing Director of the Company. The composition of Risk Management Committee is in accordance with the provisions of Regulation 21 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed Risk Management Policy has also been uploaded on Company's Website **Web-link:** <http://kcfi.co.in/wp-content/uploads/2022/05/Risk-Management-Policy.pdf>

COMPOSITION

The constitution of the Risk Management Committee is as under:

S. No.	Name of Directors	Chairman/Member	No. of Meeting attended
1.	Mr. Utsav Khaitan	Chairman, Whole Time Director	2
2.	Mr. Deepak Kumar Khemka	Member, Independent, Non-executive	2
3.	Mrs. Payal Gupta	Member, Independent, Non-executive	2

During the financial year ended March 31, 2026, Two Risk Management Committee Meetings were held on 23- July 2025 and 21- January, 2026.

4. INDEPENDENT DIRECTOR'S MEETING:

During the year under review, the Independent Directors met on January 21, 2026, inter-alia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.



- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
All the Independent Directors were present at the Meeting.

5. ANNUAL GENERAL MEETINGS:

Location, date and time of the Annual General Meetings of the Company held during preceding 3 years are given below:

AGM No.	Financial Year	Location of the Meeting	Date	Time	Whether passed any Special Resolutions
41 st	2022-2023	Convened through VC/OAVM	July 28, 2023	1:00 P.M.	Yes [#]
42 nd	2023-2024	Convened through VC/OAVM	September 12, 2024	1:00 P.M.	Yes ^ˆ
43 rd	2024-2025	Convened through VC/OAVM	August 29, 2025	11:00 A.M.	Yes ^{ˆˆ}

**Special Resolution passed in 43rd AGM

- To Ratify the Remuneration of Cost Auditors for the Financial Year ended March 31, 2026.
- To appoint M/s Ritesh Gupta, Practicing Company Secretaries as Secretarial Auditor for an audit period of 5 years commencing from FY 2025-26 till FY 2029-2030.

*Special Resolution passed in 42nd AGM

- To Ratify the Remuneration of Cost Auditors for the Financial Year ended March 31, 2025.

#Special Resolution passed in 41st AGM

- To Ratify the Remuneration of Cost Auditors for the Financial Year ended March 31, 2024.
- To approve Re-appointment of Shri Utsav Khaitan (DIN: 03021454) as a Joint Managing Director (Key Managerial Personnel) of the Company.

MEANS OF COMMUNICATION:

1. The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, the Auditors' Report, Management Discussion and Analysis Report, Report on Corporate Governance, Audited Financial Statements and other important information.
2. The website of the Company www.kcfl.co.in acts as the primary source of information regarding the operations of the Company, quarterly/ half-yearly/ annual financial results and other media releases are being displayed on the Company's website.
3. Quarterly/ half-yearly/ annual results approved by the Board of Directors are submitted to the Stock Exchange in terms of the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in the following news papers, namely Free Press (English) and Chautha Sansar (Hindi) editions.

6. GENERAL SHAREHOLDER INFORMATION:

(a) Annual General Meeting:

The 44th Annual General Meeting of the Company will be held on 21st July, 2026 at 11:00 A.M.

The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular dated September 22nd, 2025, September 19th, 2024, September 25, 2023, read with Circulars dated December 28, 2022 and vide its General Circular No. 3/2022 dated 5th May 2022, read with General Circular NO. 14/2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020, General Circular No. 22/2020 dated 15th June 2020, General Circular No. 33/2020 dated 28th September 2020, General Circular No. 39/2020 dated 31st December 2020, General Circular No. 10/2021 dated 23rd June 2021 and General Circular No. 20/2021 dated 8th December 2021 and General Circular No. 11/2022 dated 28th December 2022 (collectively referred to as 'MCA Circulars'), as such there is no requirement to have a venue for the AGM.

(b) Financial Calendar for the Financial Year 2026-27:

- Financial reporting for the quarter ending June 30, 2026 : On or before August 14, 2026
- Financial reporting for the half year ending September 30, 2026 : On or before November 14, 2026
- Financial reporting for the quarter ending December 31, 2026 : On or before February 14, 2027
- Financial reporting for the year ending March 31, 2027 : On or before May 30, 2027

(c) Dividend payment- Dividend, if declared will be paid on or before Wednesday August 19, 2026

(d) Unclaimed Dividend/ Shares:

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. www.kcfl.co.in

The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2017-18 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013

Information to Physical Shareholders: Securities & Exchange Board of India (SEBI) vide its circular dated November 03, 2021, circular dated December 14, 2021, circular dated January 22, 2022 and circular dated March 16, 2023 as made it mandatory to furnish PAN, email address, mobile number, bank account details and nomination by holders of Physical Securities. In this regard individual letters are sent to all the physical Shareholders. You are requested to furnish Valid PAN, KYC and nomination immediately to the RTA.

You are requested to kindly check the website for more details.

(e) Listing of Shares:

The Shares of the Company are listed on The BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 and on National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 001. The Company has paid Annual Listing and Custodial Fees to the Stock Exchanges and Depositories for the year 2025-26.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



(f) **BSE Stock Code** : 507794
NSE Symbol : KHAICHEM

(g) **International Security Identification No. (ISIN):** NSDL and CDSL: INE745B01028

(h) **Registrar & Share Transfer Agent:**

M/s Ankit Consultancy Pvt. Ltd.
 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010,
 Tel.: 0731-2551745-46, 4281333, E-mail: investor@ankitonline.com
 Website: www.ankitonline.com

(i) **Share Transfer System:** In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to the Company Secretary, who attend to share transfer formalities fortnightly. The Company has appointed Ankit Consultancy Pvt. Ltd. as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/rematerialization of securities.

(j) **Distribution of shareholding as on March 31, 2026:**

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 1000	50373	94.91	7146022	7.37
1001 to 2000	1383	2.61	2119292	2.19
2001 to 3000	460	0.87	1175616	1.21
3001 to 4000	215	0.41	769811	0.79
4001 to 5000	192	0.36	909567	0.94
5001 to 10000	249	0.47	1863280	1.92
10001 and above	204	0.39	83005612	85.59
Grand Total	53076	100.00	96989200	100.00

Categories of Shareholders as on March 31, 2026 :

Category	No. of shares Held	% of Shareholding
Promoters	70458619	72.65
Financial Institutions, Mutual Fund and Banks	6470	0.01
Investor Education and Protection Fund Authority	3385299	3.49
Private Corporate Bodies	3791080	3.90
Non-residents /OCBs	869553	0.89
Indian Public	18478179	19.05
Total	96989200	100

(k) **Dematerialisation of Shares and liquidity:** Trading in Khaitan Chemicals and Fertilizers Limited shares is permitted only in dematerialised form with effect from 26th March, 2001, as per notification issued by the Securities and Exchange Board of India (SEBI).

At present, the Company's shares are fully available for trading in the depository systems of both NSDL and CDSL. As on 31st March, 2026, 9,61,97,330 equity shares of the Company, which amount to 99.18% of the equity capital exist under the electronic form. Those shareholders, who have still not got their shares dematerialised, are advised to do so, as soon as possible, in view of many advantages that exists therein.

(l) **Commodity Price Risk/ Foreign Exchange Risk and Hedging:** Foreign Exchange Risk has been fully covered by the Company.

(m) **Plant Locations:** The Company has the following manufacturing and operating divisions:

Fertilizer & Chemicals Division:

1. A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone (M.P.)-451 569
2. Village Goramachia, Jhansi-Kanpur Road, Jhansi (U.P.)-248 001
3. Village Dhinva, Tehsil Nimbahera, Dist. Chittorgarh -312 001 (Rajasthan)
4. A-1, UPSIDC Industrial Area, Malwan, Dist. Fatehpur-212 664 (U.P.)
5. Village Farhad (Somni), Dist. Rajnandgaon-491443 (Chhattisgarh)
6. 42/7, GIDC Industrial Estate, Dahej, Vagra, Dist. Bharuch-392130 (Gujarat)

Solvent Plant:

7. Industrial Area, Dosigaon, Ratlam (M.P.) - 457 001

(n) **Investor Correspondence (Details of Compliance Officer):**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any query relating to the shares of the Company please write to:

CS Sejal Maheshwari

Company Secretary & Compliance Officer

Khaitan Chemicals and Fertilizers Limited
 L24219MP1982PLC004937

The B Zone 7th Floor, Pipliya Kumar, Nipania Main Road Indore 453771 (M.P.)

Tel. No. 0731-4753666, 4237926

Email-cs@kcf.in, secretarial@kcf.in

(o) **Date of Book Closure: 15th July 2026 to 21st July 2026** (both days inclusive) for Annual General Meeting/payment of Dividend

7. OTHER DISCLOSURES:

a. There are no materially significant transactions with its promoters, the directors or the senior management personnel, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm's length basis at fair market value.

b. Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years except as given in secretarial audit report.



c. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has framed a Whistleblower Policy. No personnel has been denied access to the Audit Committee. The detail Whistleblower policy has been uploaded on the Company's website: Web-link: <http://kcfi.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf>

d. The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.

e. The Company does not have any subsidiary Company.

f. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Company has framed Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and is placed on the Company's website and the web link for the same is <https://kcfi.co.in/wp-content/uploads/2026/04/POLICY-ON-MATERIALITY-OF-AND-DEALING-WITH-RELATED-PARTY-TRANSACTIONS.pdf>

The Company has also formed Related Party Transactions Policy and the web link for same is: <http://kcfi.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf>

g. The Company has in place mechanism to inform Board Members about the Risk Management and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management. A detailed note on risk management is given in the financial review section of the management discussion and analysis report elsewhere in this report. Further the company did not engage in commodity hedging activities.

h. The Company has paid a consolidated amount of Rs. 23.74 lakhs as total fees for all services rendered by the statutory auditor.

i. The Company has not advanced loans and advances to firms/companies in which Directors are interested.

j. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2025-26.

No of complaints received: NIL

No of complaints disposed off: Not Applicable

Pending: Not Applicable

8. INSTANCE OF NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.

There has been no instance of non-compliance of any requirement of corporate governance report as mentioned in sub-para 2 to 12 above.

9. ADOPTION OF NON-MANDATORY REQUIREMENTS:

The Company has adopted below mentioned discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Reporting of Internal Auditor

The Internal Auditor of the Company is an invitee to the Audit Committee Meeting for reporting their findings of the internal audit to the Audit Committee Members.

10. THE COMPANY HAS FULLY COMPLIED WITH THE APPLICABLE REQUIREMENT SPECIFIED IN REG. 17 TO 27 AND CLAUSE (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

**Declaration Regarding Compliance with the Company's Code of Conduct pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

As required by Regulation 26 (3), Regulation 34(3) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management of the Company have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: New Delhi
Date: 23.04.2026

(SHAILESH KHAITAN)
CHAIRMAN & MANAGING DIRECTOR
DIN : 00041247

Disclosures with respect to demat suspense account/ unclaimed suspense account pursuant to Regulation 34(3) read with Schedule V (F) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

Particulars	No. of Shareholders	No. of Shares held by them
Detail of shareholders as on 01.04.2025	Nil	Nil
Shareholders who approached during the year for transfer of shares (including Those Shareholders whose shares transferred to IEPF Account)	Nil	Nil
Shareholders to whom shares are transferred during the year (including Those Shareholders whose shares transferred to IEPF Account)	Nil	Nil
Detail of shareholders as on 31.03.2026	Nil	Nil

Further the voting rights on above mentioned shares are frozen till the rightful owner claims the shares.

Place: New Delhi
Date: 23.04.2026

(SHAILESH KHAITAN)
CHAIRMAN & MANAGING DIRECTOR
DIN : 00041247

CEO and CFO Certification under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

The Board of Directors,
Khaitan Chemicals and Fertilizers Limited

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee:
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

Shailesh Khaitan
(Chairman & Managing Director)
DIN : 00041247

Place: New Delhi
Date: 23.04.2026

Harsh Vardhan Agnihotri
(President & Chief Financial Officer)
PAN No. : ACXPA9315K

Place: Indore
Date: 23.04.2026

**COMPLIANCE CERTIFICATE**

(Regulation 34(3) and Schedule V Para E SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)

To,
The Members
Khaitan Chemicals and Fertilizers Limited
(CIN:L24219MP1982PLC004937)

We have examined the compliance of conditions of Corporate Governance by **Khaitan Chemicals and Fertilizers Limited**, for the year ended March 31, 2026, as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Except: *It has been observed that the listed Company has temporary shortfall in the number of non-executive directors on the Board, resulting in deviation from the prescribed composition under Regulation 17(1) of the SEBI (LODR), 2015. The Company received a notice and was levied a penalty by Stock Exchanges for such non-compliances, which has been duly paid by the Company.*

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ritesh Gupta & Co.
Company Secretaries**

**Ritesh Gupta
CP:3764, FCS:5200
UDIN- F005200H000295160**

**Place: Indore
Date : 06th May, 2026**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

To,
The Members,
Khaitan Chemicals and Fertilizers Limited
A.B. Road, Village- Nimrani,
Khargone (MP) 451569

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Khaitan Chemicals And Fertilizers Limited having (CIN:L24219MP1982PLC004937) having registered office at A.B.Road, Village- Nimrani, Khargone (MP) 451569 (hereinafter referred to as 'the Company'), produced before me, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment
1.	Shailesh Khaitan	00041247	26/04/2007
2.	Utsav Khaitan	03021454	01/04/2014
3.	Suman Jyoti Khaitan	00023370	29/10/2025
4.	Praveen Uniyal	08714038	16/01/2025
5.	Deepak Kumar Khemka	01673395	01/04/2024
6.	Payal Gupta	10628052	23/05/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to issue certificate based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ritesh Gupta & Co.
Company Secretaries**

**Ritesh Gupta
CP:3764, FCS:5200
UDIN- F005200H000295061**

**Place: Indore
Date : 06th May, 2026**



FORM MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

To,

The Members,

M/s. Khaitan Chemicals and Fertilizers Limited

CIN: L24219MP1982PLC004937

A.B. Road, Village- Nirrani, Dist. Khargone (MP)- 451569

I have conducted the secretarial audit of compliances of applicable statutory provisions and the adherence to good corporate practices by Khaitan Chemicals and Fertilizers Limited (CIN:L24219MP1982PLC004937) (hereinafter called 'The Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2026, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws applicable specifically to the Company (as given in 'Annexure-I' to the Report).

I have also examined compliance with the applicable clauses of the following:-

- i. Secretarial Standards-1 pertaining to Board Meetings and Secretarial Standards-2 pertaining to General Meetings issued by the Institute of Company Secretaries of India were applicable during the year.
- ii. The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered by the Company with Stock Exchange.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The provisions, regulations and guidelines prescribed under Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the financial year under report;
2. The following provisions, regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report :-
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.

I further report that based on the information, representation and reports provided by the Company, its Board of Directors, its designated Officers, and authorized representatives during the conduct of audit and also review on quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations and happening of events etc. to the Company.

I further report that the compliances of applicable financial, cost and tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act Except:

The listed entity has temporary shortfall in the number of non-executive director son the Board, resulting in deviation from the prescribed composition under Regulation 17(1) of SEBI (LODR), 2015. The Company received a notice and was levied a penalty by the Stock Exchanges for such non-compliance, which has been duly paid by the Company.

Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out by majority. The dissenting members' views, if any, were captured and recorded as part of the minutes.

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

For Ritesh Gupta & Co.
(Practicing Company Secretaries)

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200H000294995

Date: 06.05.2026

Place: Indore

'Annexure I'

IMPORTANT LAWS APPLICABLE SPECIFICALLY TO THE COMPANY

The Company has complied with the following laws and legislations applicable specifically to the Company.

- 1) Factories Act, 1948;
- 2) The Environmental (Protection) Act, 1986;
- 3) The Water (Prevention & Control of Pollution) Act, 1974;
- 4) The Air (Prevention & Control of Pollution) Act, 1981;
- 5) The Explosive Act, 1884;
- 6) Fertilizer (Control) Order, 1985;

For Ritesh Gupta & Co.
(Practicing Company Secretaries)

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200H000294995

Date: 06.05.2026

Place: Indore

Note: This report to be read with my letter of even date which is annexed as 'Annexure-A' and forms part of this report.

Annexure A to the Secretarial Audit Report

To,

The Members,

M/S Khaitan Chemicals and Fertilizers Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Ritesh Gupta & Co.
(Practicing Company Secretaries)

Ritesh Gupta

CP:3764,FCS:5200

UDIN- F005200H000294995

Date: 06.05.2026

Place: Indore



1. A brief outline on CSR Policy of the Company

The Khaitan Chemicals and Fertilizers Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service oriented philanthropic institutions in the field of education and healthcare as the core focus areas. Khaitan Chemicals and Fertilizers Limited uphold the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavors are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

2. Composition of CSR Committee as on 1st April, 2026:

S. No.	Name of Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	Mr. Utsav Khaitan	Chairman / Joint Managing Director	1	1
2	Mr. Deepak Kumar Khemka	Member/ Independent Director	1	1
3	Mrs. Payal Gupta	Member/ Independent Women Director	1	1
4	Mr. Inderjit Singh#	Member/ Independent Director	1	1

#Mr. Inderjit Singh resigned as Independent Director w.e.f. **October 29, 2025** due to personal commitments and consequently ceased to be Director and Chairman/Member of Board Committees thereafter.

The constitution of the Corporate Social Responsibility Committees on date is as under:

S.No	Name	Chairman/ Member	No. of Meeting Attended
1.	Mr. Utsav Khaitan	Chairman, Whole Time Director	1
2.	#Mr. Suman Jyoti Khaitan	Member, Independent, Non-executive	0
3.	Mr. Deepak Kumar Khemka	Member, Independent, Non-executive	1
4.	Mrs. Payal Gupta	Member, Independent, Non-executive	1

Mr. Suman Jyoti Khaitan was appointed as the member of the committee w.e.f 29th October, 2025

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.kcfl.co.in

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.: NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for Set-off from preceding financial years (in Rs.)	Amount required to be Set-off from preceding financial years (in Rs.)
1.	2024-25	Rs. 6.59 lacs	-
2.	2023-24	Rs. 0.18 Lacs	-
3.	2022-23	Rs. 15.52 lacs	-

6. Average Net Profit of the Company as per section 135 (5):

Net Profit/(loss) : **Rs (1297.74) Lacs**

7. (a) Two percent of average net profit of the company as per section 135(5) :**Rs. (25.95) Lacs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Rs.15.85 Lacs**

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

(d) Total CSR obligation for the financial year (7a+7b-7c): **Nil due to loss**

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.) : Nil					
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer	
Rs. 6,59,380.7	-	-	-	-	-	

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the Project	Amount spent for the Project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through implementing agency.		
				State	District		Name	CSR Registration Number	
1	Rural heritage & development (Community Infrastructure)	Schedule- VII Item No.-(x) Rural Development	Yes	M.P.	Nimrani	1,00,000	No	NA	NA
2.	Safe Drinking Water (Installation of water coolers)	Item(i): Promoting health care including preventive health care	Yes	U.P.	Jhansi	6,300.00	Yes	NA	NA
3.	Public Safety support (Blankets & torches to police station)	Item(xii): Disaster Management/ Public Safety	Yes	U.P.	Jhansi	7,350.00	Yes	NA	NA
4.	Providing Ac. printer & scanner to Bhariye Majdoor Sangh, Bhopal	Schedule- VII Item (ii) Promoting education/ livelihood enhancement	Yes	M.P.	Nimrani	1,17,000.40	Yes	NA	NA
5.	Contribution towards ambulance & fire brigade services	Schedule- VII Item (ii) Health care/ disaster management	Yes	M.P.	Nimrani	1,00,000	Yes	NA	NA
6.	Civil Work at shamshan ghats	Schedule- VII Item (x) Rural Development Projects	Yes	Rajasthan	Nimbhara	3,28,730.30	No	NA	NA
Total						6,59,380.70			

d) Amount spent in Administrative Overheads.: Nil

e) Amount spent on Impact Assessment, if applicable.: NA

f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.6,59,380.7

g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0
(ii)	Total amount spent for the Financial Year	Rs. 6.59 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 6.59 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 15.85 Lacs
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 22.44 Lacs

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



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

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of The Fund	Amount (in Rs.)	Date of Transfer	
NA							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the Project (In Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project - Completed/ Ongoing
NA								

Form No. AOC-2

Annexure - 'F'

(As per "the Act" and rule made thereunder)

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the "the Act" including certain arms length transactions under third proviso thereto

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

- (a) Name(s) of the related party and nature of relationship - NA
- (b) Nature of contracts/arrangements/transactions - NA
- (c) Duration of the contracts / arrangements/transactions- NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - NA
- (e) Date(s) of approval by the Board, if any: - NA
- (f) Amount paid as advances, if any: - NA

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions:

S. No.	Name of Related Parties	Nature of Relationship	Nature of Transaction
1	Shradha Projects Limited	A Public Company in which Shri Shailesh Khaitan is a Director.	Extension of Immovable property has been taken on rent dated 01.04.2020 by the Company for further period of 5 years w.e.f 01.04.2025 to 31.03.2030 and Unsecured Loan has been also taken by the Company.
2	B O Construction Private Limited	A Private Company in which Shri Shailesh Khaitan is a Director.	Immovable property has been taken on rent by the Company 01.04.2025 to 31.03.2026.
3.	Ms. Swapna Khaitan	Promoter and Wife of Chairman & Managing Director	Immovable property has been taken on rent by the Company 01.06.2021 to 31.05.2030.

Note: The detailed information forms part of Notes to Financial Statements in Note No. 25 (AS-18).

(c) Salient terms of the contracts or arrangements or transactions including the value, if any

Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices as compared to the prevailing rates in the market better quality products and timely supplies.

(d) Justification for entering into such contracts or arrangements or transactions

It is ensured that the contract with the Contracting party is advantageous to the Company and its shareholders. The Company intends to ensure following aspects by dealing with contracting parties:

- (e) **Date(s) of approval by the Board:** all the quarterly meetings held during the Financial Year 2025-26.
- (f) **Amount paid as advances, if any:** NIL

(g) Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188: N.A.

3. The details of all related party transactions as per Accounting Standard 18 have been disclosed in Notes to Accounts of Financial Statement.

For KHAITAN CHEMICALS AND FERTILIZERS LIMITED

(SHAILESH KHAITAN)
CHAIRMAN & MANAGING DIRECTOR
DIN : 00041247

Place: New Delhi
Date : 23 April, 2026

**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.****Annexure - G'**

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Designation	Ratio to Median Remuneration of the Employees
Shailesh Khaitan	Chairman & Managing Director	0
Utsav Khaitan	Joint Managing Director	0
Praveen Uniyal	Whole Time Director	1.94

ii. The % increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Managerial Personnel	Designation	% increase in remuneration
Shailesh Khaitan	Chairman & Managing Director	0
Utsav Khaitan	Joint Managing Director	0
Praveen Uniyal*	Whole Time Director	19.52
Harsh Vardhan Agnihotri	President & Chief Financial Officer	0
Sejal Maheshwari*	Company Secretary & Compliance Officer	12.36

iii. The % increase in the median remuneration of employees in the financial year : **16.56%**

iv. The number of permanent employees on the rolls of the Company : **644**

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

S. No.	Other Employee	Managerial Personnel
1	12.75	(26.34)

These increases are a function of the Company's market competitiveness within its comparator group as ascertained through the detailed salary benchmarking survey the Company undertakes annually. The increase during the year reflects the Company's reward philosophy as well as the results of the benchmarking exercise.

vi. It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.



SECTION A: GENERAL DISCLOSURES

I. Details of Listed Entity

1	Corporate Identity Number (CIN) of the Company	L24219MP1982PLC004937
2	Name of the Company	Khaitan Chemicals and Fertilizers Limited
3	Year of Incorporation	1982
4(a)	Registered office address	A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone- 451 569 (M.P.)
4(b)	Corporate office address	The B Zone, 7 th Floor, Pipliya Kumar, Nipania Main Road, Indore-453771 (M.P.)
5	E-mail Id	secretarial@kcfl.in
6	Telephone	0731-4753666
7	Website	www.kcfl.co.in
8	Financial Year for which reporting is being done	2025-26
9	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of Indian Limited
10	Paid-up Capital	9,69,89,200
11	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report.	Mrs. Sejal Maheshwari Company Secretary & Compliance Officer Contact No. 0731-4753666, E-mail: secretarial@kcfl.in
12	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	On Standalone basis
13(a)	Name of assurance provider	Not applicable
13(b)	Type of assurance obtained	Not applicable

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% to total turnover of the company
1	Manufacture of Straight Inorganic Fertilizers (Single Super Phosphate)	Manufacturing of Single Super Phosphate	81.55
2	Manufacture of nitric acid, ammonia, commercial ammonium chloride, nitrates of potassium and other basic chemicals of nitrogenous fertilizer industry. (Sulphuric Acid)	Manufacturing of Sulphuric Acid	18.45

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Single Super Phosphate Fertilizer	24122	81.55
2	Sulphuric Acid	24121	18.45

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	8	14
International	-	-	-

17. Markets served by the entity :

a. Number of locations

Locations	Number
National (No. of States)	13
International (No. of Countries)	-

- b. What is the contribution of exports as a percentage of the total turnover of the entity: Nil
- c. A brief on types of Customers: The Company serves SSP Fertilizer, Sulphuric Acid and Other Specialty Chemicals directly as well as through Co-operative Societies and Dealers.



IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	323	317	98.15%	6	1.85%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees(D + E)	323	317	98.15%	6	1.85%
WORKERS						
4.	Permanent (F)	321	321	100%	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers(F + G)	321	321	100%	-	-

b. Differently abled Employees and workers.

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees(D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers(F + G)	-	-	-	-	-

19. As on date Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.33%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2.15%	0	2.15%	4.00%	0	4.00%	3.07%	0	3.07%
Permanent Workers	6.00%	0	6.00%	1.22%	0	1.22%	0.20%	0	0.20%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary / Associate /Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, Participate in the Business Responsibility initiatives of the listed entity ? (Yes/No)
	NA	NA	NA	NA

VI. CSR Details

22. *(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in lacs) : 72016.77

(iii) Net worth (in lacs) : 22263.84

*Pertains to the year 2024-25



VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy)	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	https://www.scores.gov.in/admin/Welcome.html	04	0	Grievances are Redressed by RTA & Company.	42	0	Grievances are Redressed by RTA & Company.
Employees and workers	http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf	0	0	0	0	0	0
Customers	http://kcfl.co.in/contacts	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Raw Material (Rock & Sulphur) Issue	R	Rock & Sulphur is the main ingredient for manufacturing of Fertilizer, shortage of raw material impact on the manufacturing of the product.	We are trying to store the raw material to mitigate this issue. Also we have purchase rock from India as well as outside the country.	Negative implications
2.	Climate Condition	R	Fertilizer Industry mainly depends on monsoon, delay in monsoon causes poor sales.	Natural	Negative implications
3.	Government Subsidy	R	Delay in Government Subsidy by Various reasons.	Based upon the government subsidy rate finalized, market price of the product is determined after considering other miscellaneous factors.	Negative implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	CSR Policy: http://kcfl.co.in/wp-content/uploads/2022/03/CSR-Policy.pdf Whistle Blower Policy: http://kcfl.co.in/wp-content/uploads/2022/05/Vigil-Mechanism-Policy.pdf Related Party Policy: http://kcfl.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf Insider Trading Prohibition Code : http://kcfl.co.in/wp-content/uploads/2022/05/Code-of-Conduct-for-Prevention-of-insider-trading.pdf Code of Conduct of Board of Directors and senior Management Personnel: http://kcfl.co.in/wp-content/uploads/2022/07/Code-of-Conduct-of-Board-of-Directors-and-senior-Management-Personnel.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No



4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fair-trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	- - - - -
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	- - - - -
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principle is reviewed periodically by the various committees led by the Management and Board of the Directors.
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements -The Company remains committed towards integrating Environmental, Social and Governance (ESG) principles into its business operations through responsible manufacturing practices, environmental compliance, resource optimization and strong governance standards. During the year, the Company continued its focus on energy efficiency, workplace safety, sustainable operations and stakeholder well-being while addressing industry-related environmental and operational challenges.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Utsav Khaitan (Managing Director)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details	Yes, CSR Committee of the Board is looking into the Sustainability related issues. Composition of CSR Committee are as follows: 1. Utsav Khaitan (03021454): Chairman, Whole, Time Director 2. Deepak Kumar Khemka (01673395): Member, Independent, Non-executive 3. Payal Gupta (10628052): Member, Independent, Non-executive 4. Suman Jyoti Khaitan(00023370): Member, Independent, Non-executive

10. Details of Review of NGRBCs by the Company:

Subject For Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	Committees of the Board : As a practice, policies of the Company are reviewed periodically or on a need basis by the Management. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committees of the Board : The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Managing / Chief Financial Officer / Company Secretary to the Board of Directors.	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: **All principles are covered by the policies.**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (No)	Yes								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (No)									
The entity does not have the financial or/human and technical resources available for the task (No)									
It is planned to be done in the next financial year (No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE - 1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Matters relating to the business, regulations, economy and environmental, social and governance parameters.	100%
Key Managerial Personnel	4		
Employees other than BOD and KMPs	8	Workshop on Communication Skills / Technical Skill Development	100%
Workers	16	Mock Drills and Fire Safety training done on all units separately.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	NSE/BSE	The Penalty of Rs. 35,400 (inclusive of GST @18%)is levied by the Bombay Stock Exchange & National Stock Exchange each	The listed entity has received notice regarding penalty levied by the Stock Exchanges due to non-compliance of Reg. 17(1) of SEBI LODR Regulations,2015 w.r.t. Temporary shortfall in the number of Non-Executive Directors on the Board, resulting in deviation from the prescribed composition under Regulation 17(1).	NA
Settlement	Nil	Nil	NA	NA	NA
Compounding fee	Nil	Nil	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil		NA	NA
Punishment	Nil	Nil		NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. **No**
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

	FY2025-26 (Current Financial Year)		FY2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	None	None	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None	None	None	None

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. - Not Applicable



8. Number of days of accounts payables ((Accounts payable *365)/ Cost of goods/services procured) in the following format

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	27 Days	33 Days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	41.06%	27.02%
	b. Number of trading houses where purchases are made from	07	04
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	948	948
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	45%	40%
Shares of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments(Investments in related parties / Total Investments made)	100%	100%



Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / Principles %age of value chain covered under the partners covered (by value of business done with such partners) under the awareness programmes
NIL	NA

2. Does the entity have processes in place to avoid/ manage conflict of interests involving Members of the Board? **(Yes)**
Boards of Directors of the company are governed by code of business conduct and ethics which also provide for detailed provisions on conflict of interest.

PRINCIPLE- 2 : BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	10.98%	5.06%	Installation of Pollution Control equipments and ensuring zero discharge from factory. Solid/hazardous waste are disposed to authorised agencies. Gases emission are monitored by online monitoring systems.

2. a. Does the entity have procedures in place for sustainable sourcing? **(Yes)**
 b. If yes, what percentages of inputs were sourced sustainably? **90%**
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. **NA**
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. **Yes Extended Producer Responsibility (EPR) is applicable to the entity's activities and waste collection plan is in line with the EPR plan submitted to Pollution Control Board**

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total Material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including Packaging)	-	-	16.43 MT	-	-	26.81 MT
E-waste	-	-	0.66 MT	-	-	0.49 MT
Hazardous Waste	-	-	10.15 MT	-	-	5.88 MT
Other Wastes (Metal Scrap)	-	-	294.98 MT	-	-	204.21 MT



5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

PRINCIPLE-3 : BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	317	-	-	-	-	-	-	-	-	-	-
Female	6	-	-	-	-	-	-	-	-	-	-
Total	323	-	-	-	-	-	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

% of workers covered by

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	321	321	100%	321	100%	-	-	-	-	-	-
Female	0	0	0	0	0	-	-	-	-	-	-
Total	321	321	100%	321	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.07%	0.08%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	22.9%	48.28%	Y	43.07%	100%	Y
Others – (Leave encashment and Retirement Benefit)	100%	100%	Y	100%	100%	Y

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. **Yes, All the Offices are accessible with Lift along with Electricity Backup.**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No disabled employees in the company, as the company is in the business of manufacturing hazardous substances.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Not Applicable



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (if Yes, then give details of the mechanism in brief)
Permanent Workers	Each Manufacturing unit has a HR Welfare Department including the Business head office.
Permanent Employees	
Other than Permanent Workers	
Other than Permanent Employees	
	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	317	-	-	317	-	-
Female	6	-	-	6	-	-
Total Permanent Workers						
Male	321	231	71.69%	328	289	88.10%
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	317	317	100%	317	100%	338	338	100%	338	100%
Female	6	6	100%	6	100%	5	5	100%	5	100%
Total	323	323	100%	323	100%	343	343	100%	343	100%
Workers										
Male	321	321	100%	321	100%	328	328	100%	328	100%
Female	-	-	-	-	-	-	-	-	-	-
Total	321	321	100%	321	100%	328	328	100%	328	100%

9. Details of performance and career development reviews of employees and worker

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	317	317	100%	338	338	100%
Female	6	6	100%	5	5	100%
Total	323	323	100%	343	343	100%
Workers						
Male	321	321	100%	328	328	100%
Female	-	-	-	-	-	-
Total	321	321	100%	328	328	100%

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes)

The Safety & Health Management system covers activities across all manufacturing locations and offices.

- b) What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a process for Risk Management which is essential for preventing accidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the hazards associated with operations and hazardous chemicals used, sites have deployed structured Hazard Assessment, Risk Assessment and Management



Process - both qualitative and quantitative which is regularly reviewed and mitigation plans are put in place for high-risk areas. The process also considers roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities. Formal risk assessment training has been provided as appropriate.

- c) Whether you have processes for employees to report the work-related hazards and to remove themselves from such risks. (Y/N)
Yes, we encourage our employees to report near-miss incidents to department heads. All sites have specific procedure for reporting of work-related hazard, injuries, unsafe condition and unsafe act.
- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes)
Yes, mostly all permanent workers are covered under health insurance scheme and ESI scheme.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	01	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company's commitment to its safety management programmes follows a top-down approach with the senior management persistently working towards establishing, demonstrating, sustaining and improving the safety culture and incorporating the Company's core value of safety in their daily responsibilities. The employees are specially trained to tackle any potential hazards that may arise in the course of their work. Additionally, tailored periodic medical check-ups are administered to the Company's employees, based on the risk profile of their work area, to identify risks to human health. Adequate medical facilities are present at all manufacturing sites and specialised medical facilities are provided through tie-ups with other hospitals, nursing homes, etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year :

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All critical factors involved in an incident are determined through root cause analysis & investigation and corrective / preventive actions are identified to prevent recurrence. The detailed investigation and root causes identified by cross-functional team are reviewed by the Senior Management. Learning from incident is further discussed in the morning safety meeting, toolbox talk, safety committee meet, contractor communication meet, etc. to bring awareness and prevent recurrence of incidents.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) **Employees (Y)** (B) **Workers (Y)**.
The Company has systems in place to provide financial assistance to the legal dependents to those employees and workers covered under ESIC in case of death while in service.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. **NA**
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:



	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	1	1	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **NA**
5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. **NA**

PRINCIPLE- 4 : BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.
Senior Management determines internal and external group of stakeholders which has immediate impact on the company, this include shareholder, employees, customers, suppliers, bankers and Government.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Websites)	Frequency of engagement (Annually / Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Shareholders	No	Annual General Meeting, Shareholder Meetings, email, Stock Exchange (SE) intimations, Annual Report, Quarterly Results, Newspaper Publication Company / SE Website	Ongoing	Share price appreciation, dividends, profitability and financial stability.
Employees	No	Inter Office Memo, Circulars and Email	Ongoing	Operational efficiencies, communication, health, safety and engagement initiatives.
Customers	No	Website, Email, Post, Pamphlets and Website	Ongoing	Product quality and availability, responsiveness to needs, after sales Support.
Banker	No	Email, Post and Website	Ongoing	Sharing Financial Position and taking financial assistance.
Supplier		Email and Post	Ongoing	Product and Quality
Government	No No	Email, Letters, Post and Website	Ongoing	Subsidy Information, Stock Movement & Position

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
The Company management regularly interacts with key stakeholders i.e. investors, customers, suppliers, employees, banker and government etc.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If



so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

On the basis of Stakeholders consultation future policies related to environment and social topics are determined.

- Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.
Companies' constant endeavor is to focus on inclusive and collaborative growth. Company tries to provide entry level recruitment to people belonging to vulnerable section of the society.

PRINCIPLE- 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/A)
Employees						
Permanent	323	323	100%	343	343	100%
Other than permanent	-	-	-	-	-	-
Total Employees	323	323	100%	343	343	100%
Workers						
Permanent	321	321	100%	328	328	100%
Other than permanent	-	-	-	-	-	-
Total Workers	321	321	100%	328	328	100%

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than to Minimum Wage		Total (D)	Equal to Minimum Wage		More than to Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	317	0	0	317	100%	338	0	0	338	100%
Female	6	0	0	6	100%	5	0	0	5	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	321	0	0	321	100%	328	0	0	328	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

- Details of remuneration/salary/wages, in the following format:

- Median remuneration / wages :

	Male		Female	
	Number	Median remuneration salary/ wages of respective category	Number	Median remuneration salary/ wages of respective category
Board of Directors (BoD)	3	0	0	-
Key Managerial Personnel*	4	2,41,140	1	8,03,568
Employees other than BoD and KMP	320	2,89,200	5	2,96,244
Workers	321	2,180,28	0	-

*includes MD & JMD



- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	No female worker	No female worker

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **Yes: All the human rights issues are reported to personal department.**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. **Reported grievances are reviewed and proper enquiry is made by personal department and findings of the same are reported to Senior Management.**
6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filled during the year	Pending resolution at the end of year	Remark	Filled during the year	Pending resolution at the end of year	Remark
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. **As part of Whistle blower Policy and POSH Policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.**
9. Do human rights requirements form part of your business agreements and contracts? **Yes**
10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not Applicable
Forced/involuntary labour	Not Applicable
Sexual harassment	100% by entity
Discrimination at workplace	100% by entity
Wages	100% by entity

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. **No adverse cases came up during the assessment by the entity.**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. **No such grievances on Human Rights violations.**
2. Details of the scope and coverage of any Human rights due-diligence conducted. **No such due diligence conducted yet.**
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? **Most of our Locations are accessible to differently abled visitors.**
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Applicable
Discrimination at workplace	Not Applicable
Child Labour	Not Applicable
Forced Labour/Involuntary Labour	Not Applicable
Wages	Not Applicable
Others – please specify	Not Applicable



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. **NA**

PRINCIPLE- 6 : BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	FY 2025-26 (Current Financial Year) (Joules)	FY 2024-25 (Previous Financial Year) (Joules)
From renewable sources		
Total electricity consumption (A)	117,999,495.0 Mega Joules	1,08,34,32,13.2 Mega Joules
Total fuel consumption (B)	218,752,791.4 Mega Joules	12,12,63,188 Mega Joules
Energy consumption through other sources(c)		
Total energy consumption(A+B+C)	336,752,286.4	229,606,401.2
From non-renewable source		
Total electricity consumption (D)		
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non renewable sources (D+E+F)		
Total energy consumed (A+B+C+D+E+F)	336,752,286.4	229,606,401.2
Energy intensity per rupee of turnover (Total energy consumption in MJ/ turnover in rupees)	0.033	0.031
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	6.82	7.44
Energy intensity in terms of physical output	539.49 MJ/MT	401.40 MJ/MT
Energy intensity (optional)—the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes: State electricity boards. We have installed electric meters on our captive power generators.**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **No**
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
((i)Surface water	2,55,957 KL	2,45,670 KL
(ii) Ground water	1,08,886KL	2,53,548 KL
(iii)Thirdparty water	2,795 KL	38,800 KL
(iv)Seawater/desalinatedwater	0	0
(v) Others	0	0
Total volume of water with drawal (in kilolitres)(i+ii+iii +iv+v)	3,67,638 KL	5,38,018 KL
Total volume of water consumption (in kilolitres)	3,67,638 KL	5,38,018 KL
Water intensity per rupee of turnover (Water consumed / turnover)	0.000036	0.000074
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.74	1.51
Water intensity in terms of physical output	0.59	0.94
Water intensity (optional) the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- NA



4. Provide the following details related to water discharged:

Parameters	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment—please specify level of treatment	-	-
(ii) To Ground water	-	-
- No treatment	-	-
- With treatment—please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment—please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment—please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment—please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

On line PTZ camera and flow meters are installed to ensure Zero Liquid Discharge conditions under all conditions and real time data are communicated to CPCB/SPCB, servers

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **We have implemented a mechanism for Zero Liquid Discharge at all units. 100% Effluent generated is recycled in SSP mixer as process water for acidulation of rock phosphate. On line PTZ camera and flow meters are installed to ensure Zero Liquid Discharge conditions under all conditions and real time data are communicated to CPCB/SPCB, servers.**

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	mg/nm ³	85.77	69.05
Sox	mg/nm ³	52.64	36.58
Particulate matter (PM)	mg/nm ³	368.32	361.67
Persistent organic pollutants (POP)	mg/nm ³	NA	NA
Volatile organic compounds (VOC)	mg/nm ³	NA	NA
Hazardous air pollutants (HAP)	mg/nm ³	NA	NA
Others— please specify	mg/nm ³	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: **Yes**

We have installed necessary air pollution control equipments for Single super phosphate fertilizer and Sulphuric acid plants along with on line stack monitoring instruments for SO₂, F, PM as per requirement of CPCB/respective SPCB's. These systems are on line connected to CPCB/SPCB servers for real time monitoring air pollution parameters. We have provided tripping interlocks to process plants with these instruments; therefore, there is no adverse impact to air environment.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :



Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of Co₂ equivalent</i>	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of Co₂ equivalent</i>	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: **No: We are generating captive power from by- product steam as produced during Sulphuric acid production at our Nimrani, Jhansi, Malwan and Somni units. Waste heat generated during sulphur burning is utilized for power generation in place of coal fuel as raw material for conventional coal thermal power plants. Thus power is generated without generation of GHG emission ie CO₂ gas.**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **Yes: We are using waste heat generated during production of Sulfuric Acid for producing electricity through Steam Turbine.**
9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16.43 MT	26.81 MT
E-waste (B)	0.66 MT	0.49 MT
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.52 MT	0.13 MT
Radioactive waste (F)	-	-
Other Hazardous waste-Catalyst & Used Oil (G)	10.15 MT	5.88 MT
Other Non-hazardous waste generated- Metal Scrap (H)	294.98 MT	204.08 MT
Total (A+B + C + D + E + F + G+ H)	322.740 MT	237.39 MT
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0032	0.0032
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.066	0.066
Waste intensity in terms of physical output	0.000028 MT/MT	0.000048 MT/MT
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1509.030	-
(ii) Re-used	59.77	-
(iii) Other recovery operations	-	-
Total	1568.80	-

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. (N) **Spent V2O5 catalyst is being disposed to authorized agencies i.e. MP Waste Management Board Pithampur and UP Waste Management Board Kanpur.**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have adapted the policy of using chromium free chemicals for water treatments processes i.e. chemicals used in cooling towers are free from chromium and other heavy metals. We are complying with all conditions of Hazardous waste Authorization issued by SPCB's.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of Operations/Officers	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
1.	Nirmarani, Jhansi, Kanpur, Somni	Manufacture SSP Fertilizer, Sulphuric acid and captive power generation based on waste heat	Yes
2.	Dahej, Nimbaheda	Manufacture of SSP Fertilizer	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of Project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion project for increasing sulphuric acid capacity and 600 TPD GSSP plant	F - N o I A - J - 11011/172/2020-IA-11(I) from MOEF New Delhi	07.07.2021	Yes by external agency M/S EQMS New Delhi	Yes	-

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes, We are complying with conditions of respective SPCB's air and water consents and Authorization for hazardous wastes as mentioned.**

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Air (Prevention and Control of Pollution) Act, 1981	-	-	-
2.	Water (Prevention and Control of Pollution) Act, 1974	-	-	-



Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameters	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	11,79,99,495.0 Mega Joules	10,83,43,213.2 Mega Joules
Total fuel consumption (B)	21,87,52,791.4 Mega Joules	12,12,63,188 Mega Joules
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	33,67,52,286.4 Mega Joules	229606401.2 Mega Joules
From non-renewable sources		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes**

We have installed addition/higher capacity economizers, air blower, alloy coolers, cooling towers to enhance sulphuric acid capacity and steam generation from installation of heat recovery systems in sulphuric acid plants at Nimrani and Malwan. This has resulted in additional captive power generation of 4000 kwh/day at Nimrani and 3500 kwh/day at Malwan SA plants.

Variable Frequency Drives (VFD) have been installed on air blowers of sulphuric acid plants. Increased capacity of Sulphuric acid plants to the extent possible to generate more power from waste heat generated in Sulphuric acid plants.

2. Provide the following details related to water discharged:

Parameters	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **N**

On line PTZ camera and flow meters are installed to ensure Zero Liquid Discharge conditions under all conditions and real time data are communicated to CPCB/SPCB's Servers.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area : Nimrani, Dahej, Nimbaheda, Jhansi, Malwan, Somni
- (ii) Nature of operations : Manufacturing of SSP (Fertilizers)
- (iii) Water withdrawal, consumption and discharge in the following format:



Parameters	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	2,55,957 KL	2,45,670 KL
(ii) Groundwater	1,08,886KL	2,53,548 KL
(iii) Third party water	2,795 KL	38,800 KL
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal(in kiloliters)	3,67,638 KL	5,38,018 KL
Total volume of water consumption(in kiloliters)	3,67,638 KL	5,38,018 KL
Water intensity per rupee of turnover (Water consumed in liter / turnover in rupees)	0.036	0.0746
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment– please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
(iv) Sent to third - parties	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment please specify level of treatment	-	-
Total water discharged (in Kiloliters)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of Co2 equivalent</i>	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There is no adverse impact on air environment.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:



Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	<p>Resource efficiency We have installed DCS process control systems in SSP plant to optimize specific rock and sulphuric acid consumption.</p> <p>Impact due to emissions Provided interlock systems on online SO₂/PM stack monitors for tripping process in case if permissible limit is crossed.</p>	-	<p>Optimized rock and sulphuric acid specific consumption for SSP manufacturing</p> <p>No adverse impact on environment</p>

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. **Yes**
 - Disaster management plan covers all activities of operations. Gases emission are monitored by online monitoring systems with tripping and alarms in case of adverse situation.
 - All our units are having zero liquid discharge conditions.
 - All solid/hazardous waste are disposed to authorised agencies only.
 - All our units are having occupational health centers.
8. Number of Green Credits that have been generated or procured:
 - a. By the company: Nil
 - b. By the value chain partners (in terms of value of products and sales respectively) NA
9. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. **No significant impact on environment. Environment aspects and impacts have been studied for all activities of entity**
10. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. **0%**

PRINCIPLE-7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1.
 - a. Number of affiliations with trade and industry chambers/ associations.
 - b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Fertiliser Association of India (FAI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities :

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. Details of public policy position advocated by the entity

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ others please specify)	Web Link, if available
NA	NA	NA	NA	NA	NA

PRINCIPLE- 8 : BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of Project	SIA Notification No.	Date of notification	Whether conducted by Independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA	NA	NA	NA	NA	NA



2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

Company used to be in contact with the communities being affected by the operation of the Company, if any

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ small Producers	25%	35%
Directly from within India	75%	65%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	1.57%	1.86%
Semi-urban	2.15%	5.90%
Urban	0.53%	0.55%
Metropolitan	0	0

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

6. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	25%	35%
Sourced directly from within the district and neighboring districts	75%	65%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in INR)
		NA	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**No**

(b) From which marginalized /vulnerable groups do you procure? **NA**

(c) What percentage of total procurement (by value) does it constitute? **NA**

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on Traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved : **NA**

Name of Authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Rural Development	Entire Village Community Approx- 5,50,000 Persons	Approx 65%



PRINCIPLE - 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. **Customers complain are received through email/post, depending upon the nature of complain, the matter is then discussed with head of relevant departments.**
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and /or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)		Remark	FY 2024-25 (Previous Financial Year)		Remark
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recall on account of safety issues.:

Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes) The Company has adequate Safeguard System i.e. Firewall & alternate data storage on cloud.**
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **NA**
7. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches; Nil
 - b. Percentage of data breaches involving personally identifiable information of customers
 - c. Impact, if any, of the data breaches

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). **www.kcfl.co.in**
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. **NA**
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. **NA**
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. **NO**
Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) **YES**
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact. **NIL**
 - b. Percentage of data breaches involving personally identifiable information of customers. **NA**

INDEPENDENT AUDITOR'S REPORT

To
The Members of Khaitan Chemicals and Fertilizers Limited
Report on the Audit of the Financial Statements
Opinion

We have audited the accompanying Financial Statements of **Khaitan Chemicals and Fertilizers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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 Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Key Audit Matter	Auditors Response
<p>Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability</p> <p>Refer to the accompanying notes 3(a)(iii) of the financial statements.</p> <p>During the year, the Company has recognised subsidy revenue amounting to Rs.39,928.00 Lakhs and the aggregate amount of subsidy receivable as at March 31, 2026 is Rs.15,811.40 Lakhs. The amount of subsidy revenue and the subsidy receivables are significant to the financial statements.</p> <p>We identified this as a Key Audit Matter since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. Further, the areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivables.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We 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 receivable. • We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies • We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue. • We evaluated the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence in the form of notifications/policies/clarifications, as applicable. • We assessed the reasonableness of the recoverability of subsidy receivable by assessing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical trends. • We evaluated adequacy of disclosures in the financial statements. • Based on the above procedures performed, the management's assessment of the implications of government notifications/policies on recognition of subsidy revenue and its recoverability was considered to be reasonable.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report,

Business Responsibility & Sustainability Report and Report on Corporate Governance and Shareholder's information, but does not include the Financial Statements and our auditor's report thereon.

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

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

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

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Statements 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 and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including Other Comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, 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 with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.
 - g) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 as at March 31, 2026 on its financial position in its Financial Statements. Refer note 38 to the Financial Statements.
- ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) Management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) & (b) above, contain any material misstatement.
- v. As stated in note 18 to the Financial Statements:
The Company has not declared and paid dividend during the year, hence, provisions of section 123 to the Act are not applicable to the Company and has not commented upon.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per statutory requirements for record retention for the current year as well as previous year.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N

Ram Niwas Jalan
Partner
Membership Number: 082389
UDIN: 26082389RFPDFO2792

Place: New Delhi
Date: April 23, 2026

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KhaiTan Chemicals and Fertilizers Limited of even date)

- i) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company except for the following:

Description of Property	Gross Carrying Value (Rs. in Lakhs)	Held in the name of	Whether promoter director or their relative or employee	Period held indicate the range, where appropriate	Reasons for not being held in name of Company
Property, Plant & Equipment lease hold Land at Malwan (U.P.)	24.87	Mahadeo Fertilizer Ltd.	No	12.04.2006	Dispute with State Govt / UPSIDC relating to stamp duty court case filed with Hon'ble High Court, Allahabad
Property, Plant & Equipment Free hold Land at Nimrani (M.P.)	3.95	Ratlam Fertilizer Ltd.	No	17.07.1986	The Company has changed its name from Ratlam Fertilizers Ltd to KhaiTan Chemicals and Fertilizers Ltd but revenue Authority has not changed the same as on date.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revealed its Property, Plant and Equipment or Intangible Assets or both during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year except for inventory of stock lying with outside parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verifications.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks on the basis of security of current assets. The Company has not been sanctioned any working capital limit from the financial institutions. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ended	Value per books of account	Value per quarterly return / statement	Difference	Reason for discrepancies
June 30, 2025	42,321.08	38,356.39	3,964.69	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of the Lenders. DP statement filed on provisional basis.
September 30, 2025	38,050.35	33,781.54	4,268.81	
December 31, 2025	36,345.67	33,720.15	2,625.52	
March 31, 2026	36,880.52	35,833.20	3,047.32	

iii (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other

parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liabilities Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantee and securities, as applicable.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to its products are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Gross Amount in dispute (in Rs. lakhs)	Amount paid under protest (in Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Mines and Minerals (Development and Regulation) Act, 1957	Royalty on rock phosphate	158.36	39.59	2004-05	Honorable, Supreme Court, Delhi
Custom Act, 1962	Custom Duty	185.47	18.54	2004-05 to 2008-09	Commissioner Appeal, Mumbai
Goods and Service Tax Act	GST	1.72	1.72	2020-21	SGST Deputy Commissioner, Indore
Goods and Service Tax Act	GST	28.02	1.40	2017-18	GST Appellate Tribunal
Goods and Service Tax Act	GST	24.59	-	2021-22	Appeal yet to be filed
Income Tax Act, 1961	Income Tax	1.14	-	2014-15	CIT (Appeal), New Delhi
Income Tax Act, 1961	Income Tax	25.40	-	For various assessment Year	TDS- CPC
U.P state Industrial development corporation, Kanpur	Stamp Duty Charges	258.34	-	2020-21	Honorable High Court, Allahabad (Uttar Pradesh)
Labour Laws	Labour Compensation	0.80	0.80	2013-14	Assistant Labour Commissioner Malwan
Labour Laws	Labour Compensation	5.20	5.20	2013-14	Assistant Labour Commissioner Malwan
Custom Act, 1962	Custom Duty	193.49	14.51	2021-22	Commissioner of Customs (Appeals), Ahmedabad

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
(c) Term loans were applied for the purpose for which the loans were obtained.
(d) On an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current financial year in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note no.48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 54 to the financial statements.
(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section 6 of section 135 of Act. This matter has been disclosed in note 54 to the Financial Statements.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N

Ram Niwas Jalan
Partner
Membership Number: 082389
UDIN: 26082389RFPDFO2792

Place: New Delhi
Date: April 23, 2026

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Khaitan Chemicals and Fertilizers Limited of even date)

We have audited the internal financial controls with reference to the financial statements of **Khaitan Chemicals and Fertilizers Limited** ("the Company") as of March 31, 2026 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 with reference to financial statements 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 (the "ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 the 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 with reference to the financial statements

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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements 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 ICAI.

For NSBP & Co.
Chartered Accountants
Firm's Registration No. 001075N

Ram Niwas Jalan
Partner
Membership Number: 082389
UDIN: 26082389RFPDFO2792

Place: New Delhi
Date: April 23, 2026

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Balance Sheet as at March 31, 2026

Rs. in Lakhs

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current Asset			
Property, plant and equipment	4	11,495.64	12,317.56
Right of use assets	4a	323.47	401.10
Capital work-in-progress	4b	287.80	94.32
Intangible assets	5	17.53	18.92
Financial Assets			
i) Investments	6	704.56	463.68
ii) Other Financial Assets	7	387.20	159.94
Income tax assets (net)	15	276.34	256.06
Deferred tax Assets (net)	23	397.93	766.00
Other non-current assets	8	<u>232.30</u>	<u>0.14</u>
		14,122.77	14,477.72
Current assets			
Inventories	9	22,343.82	21,666.60
Financial Assets			
i) Trade receivables	10	6,238.45	7,229.12
ii) Cash and cash equivalents	11	5.91	7.97
iii) Bank balances other (ii) above	12	1,371.08	1,615.64
iv) Loans	13	5.27	4.19
v) Other financial assets	14	893.04	374.56
Other current assets	16	<u>22,737.50</u>	<u>16,574.49</u>
		53,595.07	47,472.57
Non Current Assets Held for Sale	4	435.15	
TOTAL ASSETS		68,152.99	61,950.29
EQUITY & LIABILITIES			
Equity			
Equity share capital	17	969.89	969.89
Other equity	18	<u>28,094.99</u>	<u>21,293.95</u>
Total Equity		29,064.88	22,263.84
Non current liabilities			
Financial liabilities			
i) Borrowings	19	2,355.07	3,109.06
ii) Lease Liabilities	20	373.83	452.13
iii) Other financial liabilities	21	50.28	200.91
Provisions	22	38.40	28.45
Deferred tax liabilities (net)	23	<u>-</u>	<u>-</u>
		2,817.58	3,790.55
Current liabilities			
Financial liabilities			
i) Borrowings	24	27,774.98	28,171.07
ii) Lease Liabilities	25	78.30	67.31
iii) Trade payables	26		
Dues of micro enterprises and small enterprises		231.25	0.06
Dues of creditors other than micro enterprises and small enterprises		5,281.91	4,196.26
iv) Other financial liabilities	27	1,744.49	945.74
Other current liabilities	28	1,134.49	2,493.32
Provisions	29	<u>25.11</u>	<u>22.14</u>
		36,270.53	35,895.90
TOTAL EQUITY AND LIABILITIES		68,152.99	61,950.29
Company information	1		
Basis of preparation of financial statements	2		
Material accounting policies	3		

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Khaitan Chemicals and Fertilizers Limited

For NSBP & Co.

Chartered Accountants
Firm's Registration No. : 001075N

SHAILESH KHAITAN
(Chairman & Managing Director)
DIN : 00041247

UTSAV KHIATAN
(Joint Managing Director)
DIN : 03021454

Ram Niwas Jalan

Partner
Membership Number: 082389

SEJAL MAHESHWARI
(Company Secretary & Compliance Officer)
Membership No. : F13942

HARSH VARDHAN AGNIHOTRI
(President & Chief Financial Officer)
PAN No.: ACXPA9315K

Place : New Delhi

Date : April 23, 2026



Statement of Profit and Loss for the year ended March 31, 2026

Rs. in Lakhs

Particulars	Note No.	For the Year ended 31.03.2026	For the Year ended 31.03.2025
INCOME			
Revenue from Operations	30	100,162.94	72,016.77
Other Income	31	150.13	85.81
Total Income		100,313.07	72,102.58
EXPENSES:			
Cost of Raw material consumed	32	62,565.93	42,805.93
Purchases of Stock in Trade		504.57	-
Changes in inventories of finished goods, stock-in-Trade and work-in-progress	33	972.43	7,970.83
Employee benefits expense	34	3,011.15	2,571.48
Finance costs	35	3,289.55	2,980.70
Depreciation and amortisation expense	36	987.61	1,060.94
Other expenses	37	21,809.08	16,362.68
Total Expenses		93,140.32	73,752.56
Profit/(loss) before exceptional items and tax		7,172.75	(1,649.98)
Exceptional Items		-	-
Profit/(loss) before tax		7,172.75	(1,649.98)
Profit from continuing operations before tax		7,172.75	(1,649.98)
Tax expense:			
a) Current tax Expense / (Income)		-	-
b) Deferred tax		291.70	(1,790.16)
c) Tax adjustments for earlier year		5.10	0.27
Total Tax expense		296.80	(1,789.89)
Profit/(Loss) from continuing operations after tax		6,875.95	139.91
Profit/(Loss) from discontinuing operations before tax		(416.16)	-
Tax expense:			
a) Tax Expenses/(Credit) on discontinued operations		-	-
Profit (loss) from discontinuing operations after tax		(416.16)	-
Profit for the Year		6,459.79	139.91
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements gain / (loss) on defined benefit plans		22.26	23.21
Less: Tax on Re-measurements of defined benefit plans		(5.60)	(5.84)
Changes in fair value of financial assets		240.89	96.89
Less: Tax on change in fair value of Financial Assets		(34.45)	(9.73)
Items that will be reclassified to profit or loss			
Gains & (Losses) in Cash Flow Hedges		144.30	(39.43)
Less: Income Tax Relating to items that will be reclassified to profit & Loss		(36.32)	9.92
Total comprehensive income for the year		6,790.87	214.93
Earnings per equity share (Face value of Re. 1/- per share)			
Basic and Diluted Earnings Per Share (Rupees) - Continuing operations		7.09	0.14
Basic and Diluted Earnings Per Share (Rupees) - Discontinued operation		(0.43)	-
Basic and Diluted Earnings Per Share (Rupees)		6.66	0.14
Company information	1		
Basis of preparation of financial statements	2		
Material accounting policies	3		

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Khaitan Chemicals and Fertilizers Limited

For NSBP & Co.
Chartered Accountants
Firm's Registration No. : 001075N

SHAILESH KHAITAN
(Chairman & Managing Director)
DIN : 00041247

UTSAV KHIATAN
(Joint Managing Director)
DIN : 03021454

Ram Niwas Jalan
Partner
Membership Number: 082389

SEJAL MAHESHWARI
(Company Secretary & Compliance Officer)
Membership No. : F13942

HARSH VARDHAN AGNIHOTRI
(President & Chief Financial Officer)
PAN No.: ACXPA9315K

Place : New Delhi
Date : April 23, 2026

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Cash Flow Statement for the year ended March 31, 2026

Rs. in Lakhs

Particulars	For the Year ended 31.03.2026 (Audited)	For the Year ended 31.03.2025 (Audited)
Cash flow from operating activities		
Profit/loss before tax from		
- Continuing operations	7,172.75	(1,649.98)
Profit before tax	7,172.75	(1,649.98)
Adjustments to reconcile net profit to net cash by operating activities		
Depreciation and amortization expense	987.61	1,060.94
Provision no longer required written back / Non Cash Expenses	182.76	(12.56)
Net (Profit)/ Loss on sale of property, plant and equipment / Impairment of Fixed Assets	52.39	-
Provision for Doubtful debt/Subsidy / Advances/Bad debts w/off	-	(30.22)
Finance costs	2,789.12	2,980.70
Interest/Rent Income	(102.64)	(67.07)
	11,081.99	2,281.80
Adjustments for:		
(Increase)/ decrease in inventories	(1,093.37)	6,618.04
(Increase)/ decrease in trade receivables	971.73	(2,303.33)
(Increase)/ decrease in short-term loans / Provisions	29.61	2.21
(Increase)/ decrease in other financial current assets	(518.48)	7.70
(Increase)/ decrease in other current assets	(6,167.86)	(2,394.54)
(Increase)/ decrease in other non-current Financial assets	(91.36)	18.07
(Decrease)/ increase in other non-current assets	-	9.29
(Decrease)/ increase in other non current financial liabilities	(150.63)	144.16
(Decrease)/increase in trade payable	1,316.84	(1,026.58)
(Decrease)/ increase in other financial current liabilities	800.80	(96.84)
(Decrease)/ increase in other current liabilities	(1,358.83)	1,193.00
Cash (used in)/ Received from operations	4,820.41	4,452.98
Direct taxes (Paid) / Received [net of refund]	(393.45)	40.32
Net cash flow (used in)/from operating activities - A	4,426.96	4,412.66
Cash flow from investing activities		
Purchase of Property, plant and equipment, intangible assets including Capital work in progress	(895.68)	(478.81)
Proceeds from sale of Property, plant and equipment	128.00	-
Margin Money Deposits	242.52	(1,250.23)
Interest received	102.64	67.07
Net cash flow from/ (used in) investing activities - B	(422.52)	(1,661.97)
Cash flow from financing activities		
Availment (Repayments) of non-current borrowings (Net)	(753.99)	1,435.95
Availment (Repayments) of current borrowing (Net)	(396.09)	(1,061.61)
Dividend Paid	-	-
Interest paid	(2,732.76)	(2,912.08)
Lease liabilities interest paid	(56.35)	(68.62)
Repayment of Lease Liabilities	(67.31)	(141.78)
Net cash Flow from/ (used in) financing activities - C	(4,006.50)	(2,748.14)
Net increase /(decrease) in cash and cash equivalent (A+B+C)	(2.06)	2.55
Cash and cash equivalent at the beginning of the year	7.97	5.42
Cash and cash equivalent as at March 31, 2026	5.91	7.97
Components of cash and cash equivalent		
Cash on hand	5.10	7.11
With Bank - on current account	0.81	0.86
Total cash and cash equivalent as at March 31, 2026	5.91	7.97

Note:

1. The above cash flow statement has been prepared under the indirect method as set out in Ind -AS 7 specified under section 133 of the Companies Act, 2013.

2. Figures in brackets denote cash outflow.

3. For the purpose of the statement of cash flows cash and cash equivalent comprise the following :

Balances with Banks	Year ended March 31, 2026	Year ended March 31, 2025
- On current account	0.81	0.86
- On deposit account	-	-
- Cash in hand	5.10	7.11

Cash & cash equivalents

4. Changes in liabilities arising from financing activities (FY 2025-26)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash & cash equivalents	5.91	7.97

Particulars	As at April 01, 2025	Cash flows	As at March 31, 2026
Non -Current Borrowings	3,109.06	(753.99)	2,355.77
Current Borrowings	28,171.07	(396.09)	27,774.98
Changes in liabilities arising from financing activities (FY 2024-25)			
Particulars	As at April 01, 2024	Cash flows	As at March 31, 2025
Non -Current Borrowings	1,673.11	1,435.95	3,109.06
Current Borrowings	29,232.68	(1,061.61)	28,171.07

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

For NSBP & Co.

Chartered Accountants
Firm's Registration No. : 001075N

SHAILESH KHAITAN
(Chairman & Managing Director)
DIN : 00041247

UTSAV KHAITAN
(Joint Managing Director)
DIN : 03021454

Ram Niwas Jalan
Partner
Membership Number: 082389

Place : New Delhi
Date : April 23, 2026

SEJAL MAHESHWARI
(Company Secretary & Compliance Officer)
Membership No. : F13942

HARSH VARDHAN AGNIHOTRI
(President & Chief Financial Officer)
PAN No. : ACXPA9315K

Statement of Changes in Equity for the year ended March 31, 2026

a. Equity Share Capital

Rs. in Lakhs

Equity Share of Rs.1/- each issued subscribed and fully paid

(I) Current Reporting Period	Balance at the beginning of the current reporting period - 01.04.2025	Changes in Equity Share Capital during the current year	Balance at the end of current reporting period-31.03.2026
	969.89	-	969.89
(II) Previous Reporting Period	Balance at the beginning of the current reporting period - 01.04.2024	Changes in Equity Share Capital during the current year	Balance at the end of current reporting period-31.03.2025
	969.89	-	969.89

b (i). Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus*				Other Comprehensive Income*			Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments thorough other comprehensive income Financial Instrument	Effective Portion of Cash flow hedges	Re-measurements of defined benefit plans	
Balance as at April 01, 2024	1,533.69	2,152.58	2,791.24	14,228.63	321.45	19.34	32.12	21,079.05
Profit/ (loss) for the year				139.91				139.91
Other comprehensive income					87.16	(29.51)	17.37	75.02
Total Comprehensive Income for the year	-	-	-	139.91	87.16	(29.51)	17.37	214.93
Final Dividend				-				-
Transfer to retained earnings	(2.04)			2.04				-
Balance as at March 31, 2025	1,531.65	2,152.58	2,791.24	14,370.58	408.61	(10.17)	49.49	21,293.95
Profit/ (loss) for the year				6,459.79				6,459.79
Other comprehensive income					206.44	107.98	16.65	331.08
Total Comprehensive Income for the year	-	-	-	6,459.79	206.44	107.98	16.65	6,790.87
Final Dividend (F.Y. 2025-26)				-				-
Transfer to retained earnings	(2.04)			2.04		10.17		10.17
Balance as at March 31, 2026	1,529.61	2,152.58	2,791.24	20,832.41	615.05	107.98	66.14	28,094.99

b(ii) * Nature and Purpose of Reserves

- (a) **Capital Reserve** :- Capital Subsidy received Credited to the capital Reserve.
- (b) **Securities Premium** :- Securities Premium was credited when Right shares were issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus Shares to provide for premium on redemption of shares, write -off equity related expenses like underwriting cost etc.
- (c) **General Reserve** :- Represents the statutory reserves this is in accordance with Indian corporate law wherein a portion of profit is appropriated to General reserve under the erstwhile Companies Act, 1956 . It was mandatory to transfer amount before a Company declare dividend. However as per the Company Act, 2013 transfer any amount to General reserve is at the discretion of the Company.
- (d) **Retained Earnings** :- Retained earnings are profits that the company has earned till date, less any transferred to general reserve, dividends or other distribution paid to shareholders.
- (e) **Other comprehensive income(OCI)** :- Reserve represents the balance in equity for items to be accounted in other comprehensive income. OCI is classified in to i) items that will not be reclassified to statement of profit & loss and ii) items that will be reclassified to statement of profit & loss.

Company information	1
Basis of preparation of financial statements	2
Material accounting policies	3

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

For NSBP & Co.
Chartered Accountants
Firm's Registration No. : 001075N

SHAILESH KHAITAN
(Chairman & Managing Director)
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Membership No. : F13942

HARSH VARDHAN AGNIHOTRI
(President & Chief Financial Officer)
PAN No.: ACXPA9315K

Summary of Material accounting policies and Notes to accounts for the year ended March 31, 2026

1. Corporate Information

Khaitan Chemicals and Fertilizers Limited (the Company) is engaged in the manufacturing of Single Super Phosphate Fertilisers (Plain, Zincated and Boronated in powder form and granulated form), Sulphuric Acid and its variants, Trading of DAP /NPK Fertilisers. The Company is a public limited company incorporated and domiciled in India under the provisions of Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The financial statements are presented in INR and all values are rounded to the nearest INR Lakhs, except when otherwise indicated.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on April 23, 2026.

2. Basis of Preparation of Financial Statements

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (and the relevant amendment rules issued thereafter) and presentation requirements of Division II of schedule III to the Companies Act, 2013. The financial statements comply with INDAS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

b) Basis of preparation of financial statements

The financial statements have been prepared on accrual basis and under the historical cost convention, except as stated otherwise. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Operating Cycle

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III of the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

d) Use of Estimates

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involves complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Notes.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(i) Property, plant and equipment

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(ii) Recognition and measurement of defined benefit obligations

The obligation arising from define benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumption includes discount rate, trends in salary escalation and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities. The period to maturity of the underlying securities correspond to the probable maturity of the post-employment benefit obligations.

(iii) Intangibles

Intangible assets are amortized over their estimated useful life as estimated by management on straight line basis, commencing from the date, the asset is available to the Company for its use. Computers software are depreciated fully in the year of addition.

(iv) Provision for contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. Material Accounting Policies for the year ended 31st March, 2026.

a) Revenue Recognition

- i. **Sale** - Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The sales amount includes the excise duty and exclude Export incentives, Duty drawbacks, Goods and Service Tax and other benefits are recognized in the Statement of Profit and Loss.
- ii. **Interest** - Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable, effective interest method, wherever applicable.

iii. **Subsidy** - Fertilizer Subsidy, wherever applicable, is accounted for on actual sales and is net off of any subsequent non receipt reversal. Subsidy on fertilisers has been accounted for as per the concession rates based on Nutrient based policy, notified by Government of India

iv. **Dividend** - Dividends are accounted for when the right to receive the dividend payment is established.

Ind AS 115 provides for a five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

b) Government Grants and Subsidies

Grants from the government is recognized at fair value with the reasonable assumption that the Company will comply with conditions attached to them. Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

Government grants of revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure.

If not related to a specific expenditure, Government Grants are taken as income and presented under "Other Income".

c) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

i. Short term employee benefits obligations are estimated and provided for.

ii. Post-employment benefits and other long term benefits:

a) Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to revenue.

b) Defined benefits plans:

Company's Liability towards gratuity and leave encashment is actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognized in Other Comprehensive Income and other costs are recognized in statement of profit and loss. Gratuity and Leave encashment liabilities are funded and administered through Group Gratuity Scheme with Life Insurance Corporation of India.

c) Short term employee benefits

Short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which employees render the related service are recognised as a expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

d) Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

The liability for long term compensated absences is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary."

d) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted for any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The related cash flows are classified as operating activities in the statement of cash flows.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes of assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a Lessor

"Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

e) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f) Property, Plant and Equipment

- i. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of duty or tax credit availed, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts, rebates & input of GST and other taxes availed, are deducted in arriving at the purchase price. When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and depreciated it accordingly. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.
- ii. Capital work-in-progress comprises of the cost of Property, Plant and Equipment that are not yet ready for their intended use at the reporting date.
- iii. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.
- iv. Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.
- v. Machinery Spares /Standby equipment's which are used only in connection with Property, Plant and Equipment and are of material value to the overall value of the asset are capitalized.
- vi. Capital expenses incurred by the Company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing assets of the Company are recognised as enabling assets under property, plant and equipment.

g) Intangible Assets

Intangible Assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

Revenue expenditure on Research and Development is charged to statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant and Equipment.

h) Depreciation and Amortisation

- i. Depreciation on Property, Plant and Equipment is provided using the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013, except in respect of certain categories of assets in whose case the life has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.
- ii. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, installation or construction, when the asset is ready for intended use.
- iii. Depreciation for assets sold during a period are proportionately charged.
- iv. Intangible Assets are amortized on straight-line basis over the estimated useful economic life not exceeding 10 years. The Intangible Assets are assessed for impairment whenever there is an indication that the Intangible assets impaired.
- v. The leasehold land is amortised over the primary lease period excluding on perpetual lease. Freehold land is not depreciated.
- vi. Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase

i) Non-Current Assets held for Sale and Discontinued Operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Discontinued operations is a component of an entity that either has been disposed off, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the Statement of Profit and Loss.

j) Impairment of Property, Plant and Equipment and Intangible Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount and such assets are written down to their recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses, recognized for the assets, no longer exists or have decreased to the extent of previously recognized impairment losses.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

k) Inventories

Inventories are valued at the lower of cost and estimated net realisable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated / used are expected to be sold at or above cost.

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

Cost for various items of inventory is determined as under:

Raw Material	Quarterly weighted average method for Fertilizer Division and FIFO method for Agro Division.
Packing material and Stores & Spares	Monthly weighted average method.
Finished goods and work-in-progress	Raw material cost and proportion of manufacturing overheads. Excise duty, if any, is included in the value of Finished goods Inventory.

l) Financial Assets & Liabilities

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

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

i. Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised

cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii. Financial Assets at Fair Value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

iii. Financial Assets at Fair Value through Profit or Loss

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Derecognition of Financial Assets

Financial Asset is primarily derecognised when:

- The right to receive cash flows from asset has expired, or.

- ii. The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

i. Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities are measured at fair value through profit or loss at each reporting date with all the changes recognized in the Statement of Profit and Loss.

ii. Financial Liabilities measured at Amortised Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

iii. Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

iv. Trade and Other Payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The company does not acquire or issue derivative instruments for trading or speculative purposes. The company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognised as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current and non-current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The company tries to control credit risk as far as possible by only entering into the contract with reputable bank and financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash Flow Hedge

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument is recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

Foreign Currency Transactions/ Hedge Accounting

Financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

m) Taxation**Income Tax**

The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the year in accordance with the provisions of Income Tax Act, 1961. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

n) Pre Project Expenditure

The expenses on pre-feasibility study reports, market survey reports, and techno-economic feasibility reports etc. on new projects are allocated to the Property, Plant and Equipment on completion of the projects. Where the projects are proved infructuous, they are charged to the revenue in the year in which the decision is taken to scrap the same.

o) Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with Indian Accounting Standard 33- "Earning per share". Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The Company does not have any diluted equity share, hence Basic and Dilutive earning per share is same.

p) Provisions and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statements comprises cash at bank and in hand and short term investments with an original maturity of 3 months or less.

r) Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

s) Derivatives Instruments

The Company holds derivative financial instruments such as Foreign Currency Forward Contracts to mitigate the risk of changes in exchange rates on Foreign currency exposures. The counter party for these contracts is bank. The Company initially recognised such derivative instruments at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit & Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to statement of profit and loss in the period when they arise. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

t) Segment Reporting

The Company is organized into three primary business segments mainly Fertilizers, Chemicals and Speciality Chemicals, Agro (Soya) and others, based on nature of products. The management and administration are centralized and considered as part of 'Fertilizers & Chemicals' segment, being major activities.

Unallocated items include general corporate income, expense, assets and liabilities items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as whole.

u) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- i. Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

v) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

i. Income Taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

ii. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

iii. Allowance for Uncollected Accounts Receivable and Advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them as not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

iv. Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recent Accounting Pronouncements

In May 2025, the Ministry of Corporate Affairs (MCA) notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable from April 1, 2025. The Company has evaluated the said amendment and concluded that the same does not have any material impact on its financial statements.

Further, amendments to Ind AS 1 – Presentation of Financial Statements, applicable from April 1, 2025, relating to classification of liabilities as current or non-current and non-current liabilities with covenants, have also been notified. The amendments clarify that the right to defer settlement of a liability for at least twelve months must exist at the reporting date and should have substance. The amendments also provide guidance for classification of liabilities subject to covenants. Based on its assessment, the Company does not expect any material impact of these amendments on the classification of its liabilities.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

4. Property, Plant and Equipment

Rs. in Lakhs

Particulars	Land- Freehold	Land- Leasehold	Buildings	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as at April 01, 2024	589.12	454.41	5,695.97	8,894.77	131.89	815.34	248.42	80.81	16,910.74
Additions	-	-	-	467.00	50.62	13.76	7.10	10.87	549.35
Adjustments / deletions	-	-	-	-	-	-	-	-	-
Disposal Group classified as Held for Sale	-	-	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2025	589.12	454.41	5,695.97	9,361.77	182.51	829.10	255.52	91.68	17,460.09
Additions	-	-	409.21	847.00	1.60	-	7.99	10.20	1,276.00
Adjustments / deletions	-	-	1,078.58	21.11	2.09	227.55	5.55	7.09	1,341.97
Disposal Group classified as Held for Sale #	435.15	-	-	-	-	-	-	-	435.15
Gross carrying value as at March 31, 2026	153.97	454.41	5,026.60	10,187.66	182.02	601.55	257.96	94.78	16,958.96
Accumulated Depreciation/ amortisation as of March 31, 2024	-	40.08	952.86	2,849.45	58.73	215.56	75.18	50.32	4,242.18
Depreciation/ amortisation	-	5.01	178.13	570.11	13.35	83.76	38.86	11.13	900.35
Adjustments / deletions	-	-	-	-	-	-	-	-	-
Disposal Group classified as Held for Sale	-	-	-	-	-	-	-	-	-
Accumulated Depreciation/ amortisation as of March 31, 2025	-	45.09	1,130.99	3,419.56	72.08	299.32	114.04	61.45	5,142.53
Depreciation/ amortisation	-	5.01	186.69	584.24	12.66	62.97	39.68	9.69	900.93
Adjustments / deletions	-	-	495.76	3.67	1.82	66.90	5.19	6.80	580.14
Disposal Group classified as Held for Sale	-	-	-	-	-	-	-	-	-
Accumulated Depreciation/ amortisation as of March 31, 2026	-	50.10	821.92	4,000.13	82.92	295.39	148.53	64.34	5,463.32
Carrying value as at March 31, 2025	589.12	409.32	4,564.98	5,942.21	110.43	529.78	141.48	30.23	12,317.56
Carrying value as at March 31, 2026	153.97	404.31	4,204.68	6,187.54	99.10	306.16	109.43	30.45	11,495.64

The Company has classified freehold land having a carrying amount of Rs. 435.15 lakhs as "Assets Held for Sale" during the year, as the management expects the sale to be completed within the next twelve months. Accordingly, the said asset has been presented separately under current assets in accordance with the applicable accounting standards.

Description of Properties not being in the name of Company	Gross carrying value (Rs in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reasons for not being held in name of company
*Lease hold Land at Malwan (U.P.)	24.87	Mahadeo Fertilizer Ltd (Amalgamation)	No	12.04.2006	Dispute with State Govt / UPSIDC relating to stamp duty Court case filed with Honble' High Court, Allahabad.
** Free Hold Land at Nimrani (M.P.)	3.95	Ratlam Fertilizers Ltd (Name Change)	No	17.07.1986	Company has change its name from Ratlam Fertilizers ltd to Khaitan Chemicals and Fertilizers Ltd but revenue Authority have not changed the same as on date.

NOTES: (a) Vehicles include motor cars taken on hire purchase with a gross value of Rs 385.77 lakhs (previous year Rs220.16 lakhs).

(b) Refer note no. 19 for charges on property plant and equipments.

(c) Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ("CGU") or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short-to-mid-term market conditions.

Key assumptions used in value-in-use calculations are:

(i) Operating margins (Earnings before interest and taxes) (ii) Discount Rate (iii) Growth Rates and (iv) Capital Expenditure

(d) Interest capitalised Rs Nil Lakhs (Previous year : Rs Nil Lakhs).

4a. Right of Use Assets

Rs. in Lakhs

Gross carrying value as at April 01, 2025	Additions	Gross carrying value as at March 31, 2026	Accumulated Depreciation/ amortisation as of April 01, 2025	Depreciation/ amortisation	Accumulated Depreciation/ amortisation as of March 31, 2026	carrying value as at March 31, 2026
1,291.13	-	1,291.13	890.03	77.63	967.66	323.47
Gross carrying value as at April 01, 2024	Additions	Gross carrying value as at March 31, 2025	Accumulated Depreciation/ amortisation as of April 01, 2024	Depreciation/ amortisation	Accumulated Depreciation/ amortisation as of March 31, 2025	carrying value as at March 31, 2025
1,291.11	0.02	1,291.13	731.07	158.96	890.03	401.10

Capital work-in progress (including pre-operative expenses amounting of Rs. Nil (Previous year Rs. Nil))

4b. Capital Work-in Progress

Rs. in Lakhs

Gross carrying value as at April 01, 2025	Addition	Adjustments /capitalised	Gross carrying value as at March 31, 2026
94.32	1469.48	1276.00	287.80
Gross carrying value as at April 01, 2024	Addition	Adjustments /capitalised	Gross carrying value as at March 31, 2025
180.97	365.41	452.06	94.32



Notes to the financial statements as at March 31, 2026

Rs. in Lakhs

Capital Work in Progress ageing schedule as at March 31, 2026

Rs. in Lakhs

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	
Capital Work in Progress					
1. Projects in progress	271.20	9.81	6.79	-	287.80
2. Projects temporarily suspended.	-	-	-	-	-

Capital Work in Progress ageing schedule as at March 31, 2025

Rs. in Lakhs

Particulars	Amount of CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Year	
Capital Work in Progress					
1. Projects in progress	87.53	6.79	-	-	94.32
2. Projects temporarily suspended.	-	-	-	-	-

5. Intangible assets

Rs. in Lakhs

Particulars	Software (Bought Out)	Total
	Gross carrying value as at April 01, 2024	61.56
Additions	16.08	16.08
Adjustments / deletions	-	-
Gross carrying value as at March 31, 2025	77.64	77.64
Additions	0.92	0.92
Adjustments / deletions	-	-
Gross carrying value as at March 31, 2026	78.56	78.56
Accumulated amortisation as of April 01, 2024	57.09	57.09
Amortisation	1.63	1.63
Adjustments / deletions	-	-
Accumulated amortisation as of March 31, 2025	58.72	58.72
Amortisation	9.05	9.05
Adjustments / deletions	6.74	6.74
Accumulated amortisation as of March 31, 2026	61.03	61.03
Carrying value as at March 31, 2025	18.92	18.92
Carrying value as at March 31, 2026	17.53	17.53

6. Non-current- Investments

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
	Unquoted equity shares (fully paid up)	
Investment in structured entities at Fair value through other comprehensive income		
National Board of Trade Limited	0.01	0.01
16,100 shares (Previous year 16,100 shares) of fully paid up equity share of Rs.10/- each		
Quoted equity shares (fully paid up)		
Investment in structured entities at Fair value through other comprehensive income		
Shradha Project Limited	704.55	463.67
9,48,000 shares (Previous Year 9,48,000 Shares) of fully paid up equity share of Rs.10/- each		
Total	704.56	463.68
Aggregate value of Quoted investments and fair value thereof	704.55	463.67
Aggregate value of Un-Quoted investments and fair value thereof	0.01	0.01
Aggregate Provision for impairment in the value of investments	-	-

Shradha Project Ltd is a listed Company (Calcutta Stock Exchange) but their shares are not quoted hence shares are valued at fair value basis.



Notes to the financial statements as at March 31, 2026

7. Non-current- Other Financial Assets

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Security deposits (unsecured, considered good)	575.17	347.92
Less : Provision against Security Deposit	(188.62)	(188.62)
Bank deposits with maturity of more than 12 months*	0.65	0.65
Gratuity plan assets	-	-
Total	387.20	159.94

* pledged with government authorities and others

8. Other Non-Current Assets

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Other advances:		
Advance to suppliers & contractors (Capital)	232.31	0.14
Subsidy receivable (Unsecured, Considered good)	142.87	142.88
Less: Subsidy payable to Bank of India on realisation	(142.88)	(142.88)
Total	232.30	0.14

9. Current Inventories Valued at cost or net realisable value, unless otherwise stated (Refer Para number k of Note no. 3)

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Raw materials	3,657.54	3,825.74
Raw materials in transit	3,176.70	1,458.59
Finished goods	13,359.58	14,332.01
Stock-in-trade	1.03	1.03
Stores and spares	2,247.85	2,148.11
Less: Provision for Non Moving Stores	(98.88)	(98.88)
Total	22,343.82	21,666.60

Note: Inventory is hypothecated as first Pari - Passu Charge to consortium of Bankers lead by SBI for working capital.

10. Current Trade receivables

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Secured, considered good	-	-
Unsecured, considered good	6,238.45	7229.12
Credit Impaired	314.06	314.08
Impairment allowance (allowances for bad and doubtful receivables)*	(314.06)	(314.08)
Total	6,238.45	7,229.12

Note 1: Trade receivables is hypothecated as first Pari - Passu Charge to consortium of Bankers lead by SBI for working capital.

Note 2: No trade receivables is due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further no trade receivables due from firms including limited liability partnerships (LLPs) or private limited companies respectively in which any director is a partner, a director or a member.

* Bad debts written off of Rs Nil during the year (Previous year Rs Nil)

Ageing of trade receivables as at March 31, 2026:

Rs. in Lakhs

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 year	
Undisputed trade receivable								
Considered good	-	-	5,739.45	479.75	19.25	-	-	6,238.45
which have significant increase in credit risk	-	-	-	-	55.71	8.21	250.14	314.06
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Gross Amount	-	-	5,739.45	479.75	74.96	8.21	250.14	6,552.51
Less : Provisions								(314.06)
Net Amount								6,238.45

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

Ageing of trade receivables as at March 31, 2025:

Rs. in Lakhs

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 year	
Undisputed trade receivable								
Considered good	-	5,295.03	1,081.95	680.69	63.71	58.67	49.07	7,229.12
which have significant increase in credit risk	-						314.08	314.08
credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Gross Amount	-	5,295.03	1,081.95	680.69	63.71	58.67	363.15	7,543.20
Less : Provisions								(314.08)
Net Amount								7,229.12

11. Current - Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with banks	0.81	0.86
Cash on hand (as certified)	5.10	7.11
Total	5.91	7.97

12. Current -Bank balances other than cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks:		
Unpaid dividend account	14.71	16.76
Margin money deposits	1,356.37	1,598.88
Total	1,371.08	1,615.64

- Note**
- Margin Money Deposits are subject to first charge to secure the Company's Letter of Credit's & Bank Guarantees.
 - Margin money deposits includes an interest accrued of Rs. 33.70 lakhs (Previous Year Rs 6.67 lakhs)
 - Unclaimed dividend account**

The Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account" If the dividend has not been claimed within 30 days from the date of its declaration. The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

13. Current Loans

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Other loans (unsecured, considered good)		
Loan/advances to employees	5.27	4.19
Total	5.27	4.19

Note: No debt is due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further no debt due from firms including limited liability partnerships (LLPs) or private limited companies respectively in which any director is a partner, a director or a member.

14. Current Other Financial Assets

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
(unsecured, considered good)		
Security deposits	246.48	338.16
Interest receivable	-	1.35
Unbilled Revenue Assets	3.75	-
Derivative financial instrument (at fair value through OCI)	639.73	-
Gratuity Plan Assets	3.08	35.05
Total	893.04	374.56

15. Non-Current Income tax assets (net)

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid Taxes	276.34	256.06
Total	276.34	256.06

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

16. Other Current Assets

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Advances other than Capital		
Advance to suppliers & contractors	711.22	397.34
Credit Impaired	37.45	37.45
Less: Provision for bad & doubtful advances	(37.45)	(37.45)
Total advance to suppliers & contractors	711.22	397.34
Government subsidies receivable- Unsecured considered good	15,900.11	11,359.14
Impairment allowance (allowances for government subsidies)	(88.71)	(89.88)
Total Government subsidies receivable	15,811.40	11,269.26
Prepaid expenses	133.02	164.67
Balances with statutory/govt. authorities*	5,402.05	4,504.99
Other advances recoverable in cash or in kind	595.97	154.20
Taxes/duties deposited under protest	83.84	84.02
Total	22,737.50	16,574.49

*The Company is in the process of reconciliation of Input Tax Credit as per Books and GST Portal. The reconciliation to the extent done have been accounted for in the books of accounts. The management does not expect any material financial impact.

17. Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
22,00,00,000 shares (Previous year 22,00,00,000 shares) of par value of Re. 1/- each	2,200.00	2,200.00
Issued		
9,71,24,420 shares (Previous year 9,71,24,420 shares) of par value of Re.1/- each	971.24	971.24
Subscribed and fully paid-up		
9,69,89,200 shares (Previous year 9,69,89,200 shares) of par value of Re.1/- each	969.89	969.89
Total	969.89	969.89

Promoter's Shareholding	As at March 31, 2026			As at March 31, 2025			As at March 31, 2024		
	Promoter's Name	No of Shares	%age of shares held	Change during the year	No of Shares	%age of shares held	Change during the year	No of Shares	%age of shares held
S.K. Khaitan (HUF)	7,920	0.01	Nil	7,920	0.01	Nil	7,920	0.01	Nil
Shailesh Khaitan	3,604,160	3.72%	-0.04%	3,571,910	3.68	Nil	3,571,910	3.68	Nil
Shradha Projects Limited	43,363,640	44.71%	Nil	43,363,640	44.71	Nil	45,763,640	47.18	Nil
Swapna Khaitan	1,329,950	1.37%	Nil	1,329,950	1.37	Nil	1,329,950	1.37	Nil
The Majestic Packaging Co. Pvt. Ltd	22,139,510	22.83%	0.10%	22,049,310	22.73	Nil	22,049,310	22.73	Nil
Utsav Khaitan	13,439	0.01%	Nil	13,439	0.01	Nil	13,439	0.01	Nil
TOTAL	70,458,619	72.65%		70,336,169	72.52		72,736,169	74.98	

Note

- The Company has only one class of equity shares having a par value of Re.1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing annual general meeting. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the balance sheet date.
- Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
At the beginning of the year	96,989,200	969.89	96,989,200	969.89
Changes during the year				
Outstanding at the end of the year	96,989,200	969.89	96,989,200	969.89

- Details of shareholders holding more than 5% shares of the Company:**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of shares	No. of shares	% of shares
Shradha Projects Limited	4,33,63,640	44.71	4,33,63,640	44.71
The Majestic Packaging Co. Pvt. Ltd.	2,21,39,150	22.83	2,20,49,310	22.73

Notes to the financial statements as at March 31, 2026

18. Other equity

	As at March 31, 2026	Rs. in Lakhs As at March 31, 2025
Capital reserve		
Opening balance	1,531.65	1,533.69
Transferred to retained earnings	(2.04)	(2.04)
Closing Capital Reserve	1,529.61	1,531.65
Securities premium		
Opening balance	2,152.58	2,152.58
Addition/adjustments	-	-
Closing Securities Premium	2,152.58	2,152.58
General Reserve		
Opening balance	2,791.24	2,791.24
Addition/adjustments	-	-
Closing General Reserve	2,791.24	2,791.24
Retained Earnings		
Opening Balance	14,370.58	14,228.63
Profit for the year	6,459.79	139.91
Transfer from capital reserve	2.04	2.04
Closing Surplus in Statement of Profit & Loss	20,832.40	14,370.58
Other Comprehensive Income		
Opening Balance	447.93	372.91
Addition/adjustments	341.24	75.02
Closing Comprehensive Income	789.17	447.93
Total other equity	28,094.99	21,293.95

Note Dividend distribution made and proposed

	As at March 31, 2026	As at March 31, 2025
(i) Cash dividend on equity shares paid:		
Final dividend for the year : Rs.0.00 Per Equity Share (Previous Year : Rs.0.00 Per Equity Share)		-
Total	-	-
(ii) Proposed dividend on equity share:		
Final dividend for the year : Rs.0.00 Per Equity Share (Previous Year : Rs.0.00 Per Equity Share)		-
Total	-	-

19. Non-Current Borrowings

	As at March 31, 2026	As at March 31, 2025
Term Loan		
Secured		
Indian Rupee Term Loan from Banks	833.99	1,676.13
Less: Current Maturities (refer note no 24)	678.92	767.07
Loan from related parties		
Unsecured	2,200.00	2,200.00
Total	2,355.07	3,109.06

- i) Rupee Term Loan of Rs 174.66 lakhs (Previous Year 405.34 Lakhs) , carrying interest @ 9.40% p.a. Sanctioned Rs. 1125 lakhs in 2021-22 by HDFC bank with tenure of 60 months ending October 2026. The Loan is primarily secured by way of First Pari-pasu charge on immovable and movable Fixed Assets. Secondary Security is Personal Guarantee of Shri Shailesh Khaitan. This loan was used for the purpose it was drawn.
- ii) Rupee Term Loan of Rs 561.97 lakhs (Previous Year 1012.50 Lakh) , carrying interest @ 7.55% p.a. Sanctioned Rs. 2250 lakhs in 2022-23 by AXIS bank with tenure of 60 months ending April 2027. The Loan is primarily secured by way of First Pari-pasu charge on immovable and movable Fixed Assets. Secondary Security is Personal Guarantee of Shri Shailesh Khaitan. This loan was used for the purpose it was drawn.
- iii) Rupee Term Loan of Rs 0.00 Lakhs (Previous Year 110.61 Lakh) carrying interest @ 8.85% p.a, Sanctioned Rs 170 Lakhs in March 2023 by ICICI bank with tenure of 60 months ending March 2028. The Loan was secured by the hypothecation of the car and has been prepaid during the year .
- iv) Rupee Term Loan of Rs 97.36 Lakhs (Previous Year 147.68 Lakh) carrying interest @ 7.30% p.a, Sanctioned Rs 325 Lakhs in 2020-21 by HDFC bank with tenure of 84 months ending December 2027. The Loan is secured by the hypothecation of the car.
- v) Rupee Term Loan of Rs 2200.00 Lakhs (Previous Year 2200.00 Lakhs) carrying interest @ 9.00% p.a. , Availed from Shradha Projects Ltd . Rs 1588.00 Lakhs (Previous Year : 1588.00 Lakhs) & from The Majestic Packaging Pvt. Ltd. Rs 612.00 Lakhs (Previous Year : 612.00 Lakhs) in April 2025-26. This is Unsecured Related party Loan .

Notes to the financial statements as at March 31, 2026

20. Non Current Lease Liabilities Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability	373.83	452.13
Total	373.83	452.13

21. Non-current-other Financial Liabilities Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	50.28	200.91
Total	50.28	200.91

22. Non-current-Provisions Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for Employee Benefits	38.40	28.45
Total	38.40	28.45

23. Non-current-Deferred tax liabilities/Assets (net) Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability on account of:		
a) Timing difference on depreciation and amortisation	1,233.49	1,359.82
b) Fair value of investments at FVTOCI	80.05	46.12
Deferred Tax Liability	1,313.54	1,405.94
Deferred Tax Assets on account of:		
a) Expenses allowed on payment / settlement basis	336.07	213.06
b) Carry Forward Losses of earlier years	1,342.93	1,958.88
c) Leases	32.47	-
Deferred Tax Asset	1,711.47	2,171.94
Deferred Tax Liability/(Assets)/(Net)	(397.93)	(766.00)

24. Current-Borrowings Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Loans Repayable on Demand Secured From Banks		
Cash Credits / Working Capital Demand Loans	27,096.06	27,404.01
Unsecured loan from Related Parties	-	-
Current Maturity of long term borrowing (Refer Note no 19)	678.92	767.07
Total	27,774.98	28,171.07

Note: Cash Credit/Working Capital demand loans are secured by first hypothecation charge on the Company's entire stocks comprising raw materials, stocks in transit, stocks in process, finished goods, consumable stores & spares and receivable on pari-passu basis among consortium bankers.

Current reporting period

Particulars	Period	Amount as per Financials	Amount as per statement filed with Bankers	Difference	Remarks
Eligible Trade					
Receivables/Inventory/ Other Assets (Net)	30.06.2025	42,321.08	38,356.39	3,964.69	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of Lenders
	30.09.2025	38,050.35	33,781.54	4,268.81	
	31.12.2025	36,345.67	33,720.15	2,625.52	
	31.03.2026	38,880.52	35,833.20	3,047.32	DP statement filed on provisional basis.

Previous reporting period

Particulars	Period	Amount as per Financials	Amount as per statement filed with Bankers	Difference	Remarks
Eligible Trade					
Receivables/Inventory/Other Assets (Net)	30.06.2024	33,732.58	37,966.58	(4,234.00)	The Company has not claimed Drawing Power (DP) on certain current assets. DP is calculated as per norms of Lenders
	30.09.2024	34,859.23	33,377.92	1,481.30	
	31.12.2024	35,163.58	32,353.00	2,810.58	
	31.03.2025	35,968.75	32,284.95	3,683.80	DP statement filed on provisional basis.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

25. Current Lease Liabilities

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Lease Liability	78.30	67.31
Total	78.30	67.31

26. Current-Trade Payables

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Dues to Micro, Small and Medium Enterprises* (refer note no. 43)	231.25	0.06
Other trade payables (including acceptances)	5,281.91	4,196.26
Total	5,513.16	4,196.32

* There are no outstanding amounts payable beyond the agreed period to micro, small and medium enterprise as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable.

Current reporting period

Particulars	Outstanding for following period from due date of Payment							Total
	Unbilled dues	Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year		
Undisputed :								
MSME	-	231.25	-	-	-	-	-	231.25
Others	-	2,558.00	2,691.31	20.03	8.18	4.38	-	5,281.90
Disputed :								
MSME	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	2,789.25	2,691.31	20.03	8.18	4.38	-	5,513.15

Previous reporting period

Particulars	Outstanding for following period from due date of Payment							Total
	Unbilled dues	Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year		
Undisputed :								
MSME	-	0.06	-	-	-	-	-	0.06
Others	-	3,175.28	879.01	138.07	3.91	-	-	4,196.26
Disputed								
MSME	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	3175.35	879.01	138.07	3.91	-	-	4,196.32

27. Current-Other Financial Liabilities

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	171.91	271.46
Unclaimed Dividends*	14.71	16.76
Payable to Employees	415.02	327.92
Derivative financial instrument (at fair value through P&L and OCI)	-	38.82
Other Payable	1,142.85	290.77
Total	1,744.49	945.74

* There are no amount outstanding in respect of unpaid dividend for the more than seven years to be transferred to Investor Education and Protection Fund.

28. Other Current Liabilities

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Advances from customers	1,019.00	2,247.57
Other Payable:-		
Other Statutory dues	115.49	245.75
Total	1,134.49	2,493.32

29. Current-Provisions

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	25.11	22.14
Provision for Income Tax	-	-
Total	25.11	22.14



Notes to the financial statements as at March 31, 2026

30. Revenue from Operations

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales of products		
Manufactured goods	99,485.48	71,928.52
Traded goods	594.29	1.65
Other operating revenue	83.17	86.60
Total Revenue from operations	100,162.94	72,016.77
Details of products sold		
Finished goods		
SSP/GSSP Fertilizer (includes subsidy income of Rs.39928.00 lakhs (Previous year 24563.75 lakhs)	81,125.63	63,445.10
Sulphuric Acid	16,559.31	7,990.97
Oleum 23% and 65%	1,778.34	492.45
Others	22.20	-
Total	99,485.48	71,928.52
Traded goods sold		
Trading Goods / NPK Fertilizers (includes subsidy income of Rs. 0 lakhs (Previous year 0.35 lakhs)	594.29	1.65
Total	594.29	1.65
Other Operating Revenue		
Others	83.17	86.60
Total	83.17	86.60

31. Other Income

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income on		
Bank deposits	88.17	53.32
Interest on Income Tax Refund	1.87	-
Electricity Deposits	12.60	4.75
Others	19.60	6.20
Rental Income	12.75	9.00
Balances written back	15.14	12.55
Total	150.13	85.81

32. Cost of Raw Material Consumed

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Stock	3,825.74	2,501.08
Add: Purchases including related expenses upto the factory site (net of claim)	62,397.73	44,130.59
<u>Less: Closing Stock</u>	<u>3,657.54</u>	<u>3,825.74</u>
Total	62,565.93	42,805.93

Details of Inventories - Raw Material

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rock Phosphate (Indigenous)	211.32	35.75
Rock Phosphate (Imported)	1,159.04	2,567.19
Sulphur (Fert)	1,686.67	492.08
Sulphuric Acid/Spent Acid	126.63	66.52
Others	473.88	664.20
Total	3,657.54	3,825.74

Details of raw material consumed

	Rs. in Lakhs	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rock Phosphate (Indigenous)	5,608.48	2,163.88
Rock Phosphate (Imported)	25,030.19	25,703.85
Sulphur (Fert)	20,723.11	9,872.43
Sulphuric Acid/Spent Acid	9,153.30	3,035.59
Others	2,050.85	2,030.18
Total	62,565.93	42,805.93



Notes to the financial statements as at March 31, 2026

Rs. in Lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
33. Change in Inventories		
Inventories at the beginning of the year		
Finished goods	14,332.01	22,302.84
Stock-in-trade	1.03	1.03
	14,333.04	22,303.87
Inventories at the end of the year		
Finished goods	13,359.58	14,332.01
Stock-in-trade	1.03	1.03
	13,360.61	14,333.04
Total	972.43	7,970.83
Details of Inventories		
Finished Goods		
SSP/GSSP Fertilizers	13,309.17	14,248.12
Sulphuric acid	50.41	83.89
Total	13,359.58	14,332.01
Stock-in-trade		
Traded Goods (NPK)	1.03	1.03
Total	1.03	1.03
34. Employee Benefit Expenses		
Rs. in Lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	2,719.60	2,302.55
Contribution to provident and other funds	146.18	156.90
Provision for Gratuity and leave encashment	87.89	62.17
Staff Welfare Expenses	57.48	49.86
Total	3,011.15	2,571.48
35. Finance Costs		
Rs. in Lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on loans*	2,633.21	2,725.15
Interest on delayed payments of Statutory dues	17.78	6.31
Interest on Lease	56.35	68.62
Other Borrowing Costs	582.21	180.62
Total	3,289.55	2,980.70
* Interest on loan of Rs.Nil Lakhs has been capitalized as pre-operative expenses with capital work in progress during the year (Previous year Rs.Nil Lakhs).		
36. Depreciation and amortisation expense		
Rs. in Lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment	900.93	900.35
Amortisation on Lease property	77.63	158.96
Amortisation of intangible assets	9.05	1.63
Total	987.61	1,060.94
37. Other expense		
Rs. in Lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores & spare parts	1,947.00	1,483.86
Packing Material consumed	1,954.81	1,856.49
Power & Fuel	2,496.88	2,422.29
Repair & Maintenance:	-	-
Plant & Machinery	500.28	299.27
Building	61.11	36.15
Others	66.42	56.75
Other Manufacturing expenses	1,596.83	1,395.91
Freight Outward	11,224.11	7,440.20
Loading & Unloading expenses	392.85	172.32
Other selling expenses	16.29	10.59
Communication expenses	49.29	60.92
Rent	4.00	1.53
Insurance	68.91	53.30
Legal & Professional charges	97.86	82.83
Rates & Taxes	106.79	64.49

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Travelling & Conveyance	425.61	360.85
Payment to Auditors (refer note no. 42)	24.27	18.44
Corporate Social Activity (refer note no. 54)	6.59	54.72
Loss on Sale of Fixed Assets (net)	52.39	-
Impairment of Fixed Assets	-	-
Donations	-	-
Foreign Exchange Fluctuation (including MTM loss) (Net)	241.60	76.81
Bank Charges	2.20	4.09
Impairment allowance (bad and doubtful debts / Advances) *	6.03	-
Miscellaneous Expenses	466.95	410.88
Total	21,809.08	16,362.68

* Includes Bad debts written off of Rs Nil (Previous year NIL Lakhs)

38. Contingent Liabilities & Commitments (to the extent not provided for) :

Claim against the Company not acknowledged as debts

Rs. in Lakhs

Particulars (Refer Notes 1)	As at March 31, 2026	As at March 31, 2025
Royalty on Rock Phosphate claimed by RSMM	158.36	158.36
Sales Trade Tax	-	1.07
GST	54.33	41.64
Income-Tax	1.14	3.24
Income-Tax (TDS)	25.40	-
Central Sales Tax / VAT	-	31.70
Labour Case	5.99	5.99
UPSIDC	258.34	258.34
Custom & Excise Duty	378.96	7,891.71
Bank Guarantee (10% Secured with FDR)	3,241.38	1,132.74

Note - 1 The Company has been advised that the demand is likely to either deleted or substantially reduced and accordingly no provision is considered necessary.

Rs. in Lakhs

39. Commitment	As at March 31, 2026	As at March 31, 2025
Estimated amount of Capital Commitments & Other Commitments (net of advances) not provided for	42.34	-

40. The Company is in the process of obtaining confirmations and reconciliation with its trade receivables, trade payables and other dues receivables. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status.

41. During the year, the Company disposed of certain building assets pursuant to the management's strategic decision to discontinue the related operations. Consequent to the disposal and measurement of related assets, impairment/loss amounting to Rs. 416.16 lakhs has been recognised and disclosed under discontinued operations in the Statement of Profit and Loss.

42. Other disclosure required by statute

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Auditors Remunerations		
Statutory Auditors		
Audit fee	10.50	7.50
Limited Review	6.00	4.50
Certification / other services	7.24	6.28
Out of pocket expense	0.53	0.15
Total	24.27	18.44

43. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount and Interest due thereon remaining unpaid to any supplier as on	231.25	0.06
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Notes to the financial statements as at March 31, 2026

44. Leases

Operating lease - Company as lessee

(a) The Company has lease contracts for various land, buildings (godowns, office and residential premises), vehicles and other equipment used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of godowns and other equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(b) Future minimum rentals payables under non-cancellable operating leases:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Not latter than One Year	126.26	123.65
Latter than one year and not later than five years	449.81	550.79
Latter than five years	-	25.29
Total	576.07	699.73

45. Earning per share

(Rs. in Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net Profit as per statement of profit and loss - Continuing operation	6,875.95	139.91
Net Profit as per statement of profit and loss - Discontinuing operation	(416.16)	-
Net Profit as per statement of profit and loss -(Cont. & Dis-cont. operation)	6,459.79	139.91
Face Value of Share	1.00	1.00
Opening Balance of Shares (nos.)	96,989,200	96,989,200
Add/ (less) Change in shares during the year	-	-
Closing Balance of Shares (nos.)	96,989,200	96,989,200
Weighted average number of equity shares	96,989,200	96,989,200
Basic & Diluted EPS -Continued	7.09	0.14
Basic & Diluted EPS - Discontinued	(0.43)	-
Basic & Diluted EPS in Rs (Continued & discontinued)	6.66	0.14

46. Employee benefits

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans-charge to the Profit and Loss Account based on contribution

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Superannuation	2.77	3.24
Provident fund	122.68	127.21
Employee state insurance	20.72	26.45

b) Other long-term benefits

Amount recognized as an expense and included in Note 34 Item "Provision for Gratuity and Leave encashment related expenses Rs. 39.72 lakhs (Previous year Rs 22.16 lakhs) for long term compensated Absences.

c) Defined benefits plans

i) Leave Encashment Expense Rs.23.95 lakhs (Previous year Rs.22.17 lakhs) has been recognized in "Provision for Gratuity and leave encashment" under Note 34. as per Actuarial Valuation.

ii) Gratuity Expense Rs. 48.17 lakhs (Previous year Rs.40.01 lakhs) has been recognized in "Provision for Gratuity and leave encashment" under Note 34. as per Actuarial Valuation.

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded

I Change in present value of obligation during the year

Present value of obligation at the beginning of the year	666.21	159.00	608.03	150.71
Included in profit and loss:				
- Current Service Cost	52.29	20.81	44.08	18.09
- Interest Cost	44.97	10.74	46.72	10.93
- Past Service Cost				-

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Included in OCI:				
Actuarial losses/(gains) arising from:				
- Experience adjustments	11.87	(2.40)	-	(24.71)
- Financial assumption	(8.17)	(0.38)	(2.49)	3.98
Others				
Benefits Paid	(50.88)		(30.11)	-
Present Value of obligation at the end of the year	716.29	187.77	666.21	159.00

II. Change in Fair Value of Plan Assets during the year

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Plan assets at the beginning of the year	701.26	108.36	685.14	101.54
Included in profit and loss :				
Expected Return on Plan Assets	49.08	7.62	46.25	6.82
Included in OCI :				
Actuarial Gain / (Loss) on Plan Assets	14.91	8.27		
Others:				
Employer's contribution	5.00	-	-	-
Benefits paid	(50.88)	-	(30.12)	-
Fair Value of plan assets at the end of the period	719.37	124.25	701.26	108.36

III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Present Value of obligation as at year-end	(716.29)	(187.77)	(666.21)	(159.00)
Fair value of plan assets at year -end	719.37	124.25	701.26	108.36
Funded status {Surplus/(Deficit)}	3.08	(63.51)	35.06	(50.64)
Net Asset/(Liability)	3.08	(63.51)	35.06	(50.64)

IV. Expenses recognised in the Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Current Service Cost	52.29	20.81	44.08	18.09
Interest Cost	44.97	10.74	46.72	10.92
Past Service Cost	-	-	-	-
Expected return on plan assets	(49.09)	(7.62)	(46.25)	(6.85)
Total Expense	48.17	23.95	44.55	22.16

V. Expenses recognised in the Statement of Other Comprehensive Income

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
Net Actuarial (Gain)/Loss	(11.20)	(11.06)	(2.49)	(20.73)
Expected return on plan assets excluding interest income	-	-	-	-
Total Expense	(11.20)	(11.06)	(2.49)	(20.73)

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity	Leave Encashment Compensated Absences	Gratuity	Leave Encashment Compensated Absences
	Funded	Funded	Funded	Funded
VI Contribution of Plan Assets				
Equity Instruments	-	-	-	-
Debt Instruments	-	-	-	-
Property	-	-	-	-
Insurance	5.00	-	-	-
VII Bifurcation of PVDBO at the end of the year				
Current Liability	-	74.23	-	54.38
Non-Current Liability	-	113.54	-	104.62
VIII Actuarial Assumptions				
Discount Rate	7% per annum	7% per annum	6.75% per annum	6.75% per annum
Expected rate of return on plan assets	7% per annum	7% per annum	5% per annum	5% per annum
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Salary Escalation	5.00% per annum	5.00% per annum	5.00% per annum	5.00% per annum
Turnover Rate- (18 to 30 Years)	5.00% per annum	5.00% per annum	5.00% per annum	5.00% per annum
Turnover rate- (30 to 44 Years)	3.00% per annum	3.00% per annum	3.00% per annum	3.00% per annum
Turnover rate- (44 to 58 Years)	2.00% per annum	2.00% per annum	2.00% per annum	2.00% per annum

IX The expected contribution for Defined Benefit Plan for the next financial year will be Rs 135.16 lakhs (Previous year Rs. 55.44 lakhs)

X Experience Adjustment:

Rs. in Lakhs

Gratuity	2025-26	2024-25	2023-24	2022-23	2021-22
Present Value of obligation	716.29	666.21	608.03	587.77	585.90
Fair value of Plan assets	719.37	701.26	685.14	681.93	707.93
(Net Asset) /Liability	(3.08)	(35.05)	(77.11)	(94.16)	(122.03)
Actuarial (Gain)/Loss on plan obligation	3.70	(2.49)	(24.90)	(6.55)	(10.12)
Actuarial Gain/(Loss) on plan assets	14.91	-	(4.80)	(1.76)	(26.44)

Rs. in Lakhs

Leave Encashment Compensated Absences	2025-26	2024-25	2023-24	2022-23	2021-22
Present Value of obligation	187.77	159.00	150.71	153.35	162.50
Fair value of Plan assets	124.25	108.36	101.54	94.90	92.31
Net Asset/(Liability)	(63.51)	(50.64)	(49.17)	(58.45)	(70.19)
Actuarial Gain/(Loss) on plan obligation	2.78	(20.74)	(27.40)	(38.37)	3.76
Actuarial Gain/(Loss) on plan assets	8.27	-	(0.24)	0.22	0.22

XI. Sensitivity Analysis

Gratuity

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	682.96	754.67	633.26	704.27
Future salary growth (1% movement)	755.07	682.08	704.56	632.44
Employee turnover (1% movement)	721.03	710.92	670.20	661.66

Long Term Compensated Absences

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1 % movement)	177.61	199.54	150.02	169.45
Future salary growth (1 % movement)	199.66	177.34	169.53	149.80
Employee turnover (1% movement)	189.43	185.89	160.30	157.55

Notes to the financial statements as at March 31, 2026

XII. Maturity Profile of projected benefit obligation: from the fund

Rs. in Lakhs

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Gratuity		Gratuity	
	Funded		Funded	
1st Following Year	193.30		246.93	
2nd Following Year	50.61		67.84	
3rd Following Year	26.51		30.04	
4th Following Year	24.38		32.42	
5th Following Year	19.60		21.87	
After 5 Years	216.59		267.11	

47. Income Taxes

a. Amount recognised in Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current Income Tax		
Current year		
Adjustment in respect of current income tax for earlier year	5.10	0.27
Total	5.10	0.27
Deferred Tax		
In relation to origination of temporary differences (Current year)	291.70	(1,790.16)
Total	296.80	(1789.89)

b. Income taxes that are charged or credited directly in equity

Deferred tax

Impact due to fair value of investment other than subsidiary	34.45	9.73
Remeasurement of defined benefit plan(actuarial gain/loss)	5.60	5.84
Gains & (Losses) in Cash Flow Hedges	36.32	(9.92)
Total	76.37	5.65

c. Reconciliation of Tax expense

Profit / (Loss) before tax from Discontinued Operation	(416.16)	-
Accounting profit before tax	7,172.75	(1,649.98)
Applicable Tax Rate *	25.168%	25.168%
Computed Tax Expense	1,700.50	-
Effect of expenses not deductible in determining taxable profit	109.00	-
Effect of earlier year taxes	5.10	-
(Effect of set -off of Brought forward loss / Others)	(1,517.80)	-
Income Tax expense reported in the statement of profit and loss	296.80	-

* tax rate of 25.168% includes corporate tax of 22%, 10% surcharge and Health & Education Cess of 4% on the tax amount

Notes to the financial statements as at March 31, 2026

d. Reconciliation of deferred tax liabilities (net)

Opening Balance	(766.00)	1018.52
In relation to Origination of Temporary Differences (Current Year)	291.70	(1,790.16)
Re-measurement of Deferred Tax on A/c of New Tax Regime (Net)	-	-
Reversal of MAT Credit Entitlement	-	-
Other comprehensive income	76.37	5.65
Closing Balance	(397.93)	(766.00)

e. Deferred tax

Deferred tax relates to the followings

Timing difference on depreciation and amortisation	(126.33)	169.72
Remeasurement of borrowings	-	-
Fair value of investments at FVTPL	33.93	10.25
Expense allowed on payment/ settlement basis	(123.01)	(5.61)
Others	(108.86)	(5.63)
Carry forward losses of earlier years	615.97	(1,958.88)
Total	291.70	(1,790.16)

48. Ratios

Rs. in Lakhs

S. No.	Ratios	Numerator	Denominator	Year ended 31.03.2026	Year ended 31.03.2025	Change in Ratio %	Reasons for variation exceeding 25%
1.	Net Profit Margin (%)	Net profits after taxes	Revenue from Operation	6%	0.19%	3294%	Net profit margin has increased during the period on account of better profit margins Fertilizer and Acid Division.
2.	Debt Service Coverage Ratio (in times)	Earnings available for debt service = Profit before exceptional item and tax + finance costs + depreciation and amortisation	Debt Service= Finance cost + repayment of long term borrowing during the period+ Interest Capitalised	3.06	0.64	380%	Debt Service Coverage Ratio has increased due Increase in profit available for debt servicing during the year.
3.	Trade receivables Turnover ratio (in times)	Revenue from Operation	Average Trade Receivable	14.87	11.88	25%	Increase in Average Trade Receivable during the year
4.	Inventory Turnover ratio (in times)	Revenue from Operation	Average Inventory	4.55	2.88	58%	Ratio is increased due to increase in Revenue from operation during the year
5.	Debt-Equity Ratio (in times)	Total Borrowings	Shareholders Equity	1.04	1.40	-26%	Ratio has decreased due to reduction in Term Loan and increase in shareholders Equity during the year.
6.	Current Ratio (in times)	Current Assets	Current Liabilities	1.48	1.32	12%	-
7.	Return on Equity	Net profits after taxes	Paid-up capital + Free Reserve	22%	0.63%	3428%	Ratio has increased due to losses increase in net profit during the year.
8.	Trade payable/ Turnover	Net purchases of goods	Average Trade Payable	13.07	10.29	27%	During the year cost of raw material increased significantly due to which value of credit purchase of inventory increased significantly .
9.	Net Capital turnover	Revenue from operation	Average Shareholders equity	3.90	3.25	20%	-
10.	Return on Capital Employed	Net Profit after tax	Capital Employed: Paid-up capital + Free Reserves + Long term debts	21%	0.55%	3638%	Higher return on capital employed is on account of improved profitability during the year.
11.	Return on Investment	Net Profit after tax	Total Assets	9%	0.23%	4021%	Ratio has increased due to increase d profit during the year.

Notes to the financial statements as at March 31, 2026

49. Related party disclosures as required by ind AS - 24 (As certified by the management)

a. List of Related Parties

I. Entities with joint control of, or significant influence over the entity

Names	Relationship
Shradha Project Limited	Significant influence (with 44.71 % holding)

II. Key Management Person

Executive directors and their relatives

Names	Relationship
i) Shri Shailesh Khaitan	Chairman & Managing Director
(ii) Shri S.K.Khaitan (HUF)	HUF in which Shri Shailesh Khaitan is Karta .
iii) Smt Swapna Khaitan	Wife of Chairman & Managing Director
iv) Shri Utsav Khaitan	Joint Managing Director (Son of Chairman & Managing Director)
v) Shri Praveen Uniyal	Whole Time Director
vi) Shri Deepak Kumar Khemka	Non Executive / Independent Director
vii) Ms Payal Gupta	Non Executive / Independent Women Director
viii) Shri Suman Jyoti Khaitan	Non Executive / Independent Director
ix) Shri Harsh Vardhan Agnihotri	President & Chief Financial Officer
x) Smt Sejal Maheshwari	Company Secretary

III. Other related parties

Enterprises which is under significant influence of KMP and / or their Relatives (with whom transaction have taken place)

- i) Shradha Projects Ltd.
- ii) The Majestic Packaging Co Pvt Ltd
- iii) B O Constructions Private Limited
- iv) Arati Marketing Pvt. Ltd.

b. Transactions carried out with related parties in ordinary course of business

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent Paid		
Shradha Projects Ltd.	3.60	3.60
B O Constructions Private Limited	16.74	32.87
Swapna Khaitan	133.57	123.30
Interest Paid		
Shradha Projects Ltd.	138.62	241.87
The Majestic Packaging Co Pvt Ltd	94.39	46.35
Arati Marketing Pvt. Ltd.	12.86	-
Director's Sitting Fees		
Shri Inderjit Singh	1.75	2.30
Shri Deepak Kumar Khemka	2.40	2.30
Ms Payal Gupta	2.40	2.00
*Shri Suman Jyoti Khaitan	0.35	-
Ms Veena Chadha	-	0.55
Loan Taken		
Shradha Projects Ltd.	1,790.00	5,316.00
The Majestic Packaging Co Pvt Ltd	2,505.00	612.00
Arati Marketing Pvt. Ltd.	1,510.00	-
Remuneration Paid (Note No 1)		
Shri Shailesh Khaitan	-	3.60
Shri Utsav Khaitan	-	0.63
Shri Jagdish Lal Jajoo	1.22	22.94
Shri Praveen Uniyal	5.27	4.41
Shri Harshvardhan Agnihotri	39.52	39.53
Smt Sejal Maheshwari	8.80	7.74
Loan Repaid		
Shradha Projects Ltd.	1,790.00	5,938.00
The Majestic Packaging Co Pvt Ltd	2,505.00	-
Arati Marketing Pvt. Ltd.	1,510.00	-

Note No 1 Excluding Provision for gratuity & Leave Encashment, which are provided on actuarial basis for the company as a whole. Hence, no separate figures are available.

Note No 2 For the purpose of above disclosure transactions are inclusive of taxes .

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

C. Balances with related parties in ordinary course of business

Rs. in Lakhs

Nature of Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Shradha Projects Ltd.		
Interest Payable	27.28	48.38
Loan Payable	1,588.00	1,588.00
Investments made	704.55	463.68
The Majestic Packaging Co. Pvt. Ltd.		
Loan Payable	612.00	612.00
Interest Payable	12.22	9.27
Shri Shailesh Khaitan		
Remuneration Payable	-	28.13
Smt Swapana Khaitan		
Rent Payable	9.40	0.24
Shri Utsav Khaitan		
Remuneration Payable	-	-
Shri Jagdish Lal Jajoo		
Remuneration Payable	-	3.10
Shri Praveen Uniyal		
Remuneration Payable	-	-
Shri Harsh Vardhan Agnihotri		
Remuneration Payable	-	-
Smt Sejal Maheshwari		
Remuneration Payable	-	-
B O Constructions Private Limited		
Rent Payable	1.67	0.50

50. Segment information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

- i) Fertilizers
- ii) Chemicals & Speciality Chemicals

a) Segment revenue and profit/(loss)

Rs. in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Continuing Operation			Continuing Operation		
	Fertilizers	Chemicals & Speciality Chemicals	Total	Fertilizers	Chemicals & Speciality Chemicals	Total
Revenue (including other income)						
Revenue from external customers	81,953.22	26,199.50	108,152.72	63,619.15	13,627.27	77,246.42
Less : Inter segment revenue	-	7,839.65	7,839.65	-	5,143.84	5,143.84
Total revenue	81,953.22	18,359.85	100,313.07	63,619.15	8,483.42	72,102.58
Results						
Segment Operating Profit/ (Loss) net of allocable expenses	6,350.63	4,111.67	10,462.30	(977.19)	2,307.91	1,330.72
Unallocable expenses	-	-	-	-	-	-
Total operating profit/(loss)	6,350.63	4,111.67	10,462.30	(977.19)	2,307.91	1,330.72
Non-operating expenses			416.16			
Interest Expense			3,289.55			
Net Profit			6,756.59	(977.19)	2,307.91	1,330.72
Tax Expense			296.80			
Profit After Tax			6,459.79	(977.19)	2,307.91	1,330.72
Capital Expenditure	947.73	328.27	1,276.00	549.35	-	549.35
Unallocated Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure	947.73	328.27	1,276.00	549.35	-	549.35
Depreciation and amortisation	751.28	236.32	987.61	890.12	170.82	1,060.94
Unallocated Depreciation	-	-	-	-	-	-
Total depreciation	751.28	236.32	987.61	890.12	170.82	1,060.94
Non cash Expenditure other than Depreciation/ Amortisation	235.15	-	235.15	42.78	-	42.78
Unallocated Corporate Non Cash Expenses other than Depreciation / Amortisation	-	-	-	-	-	-
Total non cash expenditure other than Depreciation/ Amortisation	235.15	-	235.15	42.78	-	42.78

Notes to the financial statements as at March 31, 2026

b) Segment Assets and Liabilities

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment Assets		
Fertilizers	62,125.92	57,150.68
Chemicals & Speciality chemicals	4,633.52	3,297.11
Discontinued Operation	-	-
Others	-	-
Unallocable Assets	1,393.55	1,502.50
Total	68,152.99	61,950.29
Segment liabilities		
Fertilizers	38,613.42	39,133.60
Chemicals & Speciality chemicals	459.97	16.65
Discontinued Operation	-	-
Unallocable Liabilities	14.71	536.20
Total	39,088.10	39,686.45

c) Other information

Rs. in Lakhs

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Fertilizers	Chemicals & Speciality Chemicals	Total	Fertilizers	Chemicals & Speciality Chemicals	Total
Revenue from major customers						
Revenue from customers exceeding 10% of total revenue	-	82.99	82.99	6,137.98	-	6,137.98
Total	-	82.99	82.99	6,137.98	-	6,137.98

The company does not have any exports, hence reporting on secondary segment does not arise.

51. Financial Risk Management objectives and Policies

Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

This note explain the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables	Ageing Analysis, credit risk analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines and borrowing facilities
Market Risk -Foreign Exchange	Future Commercial transactions, Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity Analysis	Forward foreign exchange contracts Foreign Currency options
Market Risk -Interest Rate	Long term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market Risk -Security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification



Notes to the financial statements as at March 31, 2026

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyses foreign currency risk from financial instruments :

Particulars	Rs. in Lakhs	
	As at March 31, 2026	As at March 31, 2025
	USD/AED	USD/AED
Financial Assets		
Cash and cash equivalents	-	-
Trade receivables	-	-
Other financials assets (including loans)	-	-
Financial liabilities		
Trade payables	USD 29.90	11.50
Borrowings & Interest Accrued but not due	USD 83.79	115.82
	AED -	28.77
Net assets / (liabilities)	USD (113.69)	(127.32)
Net assets / (liabilities)	AED -	(28.77)

The following significant exchange rates have been applied during the year.

Year and spot rate	Rs. in Lakhs	
	March 31, 2026	March 31, 2025
USD	94.6543	85.58
AED		23.2

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

Particulars	Rs. in Lakhs			
	2025-26		2024-25	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
Increases/ (decrease) in profit or loss	(26.90)	(26.90)	(21.39)	(21.39)

Summary of Exchange difference account in Statement of Profit and loss

Particulars	Rs. in Lakhs	
	For the year ended 31, 2026	For the year ended 31, 2025
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	241.60	76.81
Net foreign exchange (gain)/ losses shown as Finance Cost	-	-
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Total	241.60	76.81

b) Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

Particulars	As at March 31, 2026		As at March 31, 2025	
	(Rs. in lakhs)	(% of Total)	(Rs. in lakhs)	(% of Total)
Fixed Rate Borrowings	9,969.22	33.09%	174.30	0.56%
Variable Rate Borrowings	20,160.83	66.91%	31,105.83	99.44%
Total Borrowings	30,130.05	100.00%	31,280.13	100.00%



Notes to the financial statements as at March 31, 2026

Sensitivity on Variable Rate Borrowing

Rs. in Lakhs

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	31- Mar-26	31- Mar-25	31- Mar-26	31- Mar-25
Interest Rate Increase by 0.25%	(50.40)	(77.76)	(50.40)	(77.76)
Interest Rate decrease by 0.25%	50.40	77.76	50.40	77.76

c) Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

ii. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 6552.51 Lakhs and Rs. 7543.20 lakhs as of March 31, 2026 and March 31, 2025 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers: **Rs. in Lakhs**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from top customer	5,781.47	6,137.98
Revenue from top five customers	16,340.41	12,576.21

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2026 was 314.06 lakhs. **Rs. in Lakhs**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning	314.08	344.30
Impairment loss reversed	(0.02)	(30.22)
Additional provision created during the year	-	-
Balance at the end	314.06	314.08

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

Rs. in Lakhs

Particulars	As at March 31, 2026			Total
	Up to Six Months	Six to Twelve Months	Above 12 Months	
Unsecured	5,739.45	479.75	333.31	6552.51
Less: Impairment allowances (bad and doubtful debts)			314.06	314.06
Net Balance	5,739.45	479.75	19.25	6238.45

Particulars	As at March 31, 2025			Total
	Up to Six Months	Six to Twelve Months	Above 12 Months	
Unsecured	6,376.98	680.69	485.54	7,543.21
Less: Impairment allowances (bad and doubtful debts)	-	-	314.08	314.08
Net Balance	6,376.98	680.69	171.46	7,229.13

iii) Liquidity risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2026 **Rs. in Lakhs**

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	27,774.98	27,774.98	-	-	27,774.98
Borrowings - Non-Current	2,355.07	-	2,355.07	-	2,355.07
Trade payables	5,513.16	5,376.12	137.04	-	5,513.16
Other financial liabilities - Current					
Interest accrued but not due on loans	171.91	171.91	-	-	171.91
Derivative Financial Instruments	-	-	-	-	-
Others	1,650.89	1,650.89	-	-	1,650.89
Other financial liabilities - Non-Current					
Others	373.83	(0)	373.83	-	373.83
Trade Deposits	50.28	-	-	50.28	50.28

KHAITAN CHEMICALS AND FERTILIZERS LIMITED



Notes to the financial statements as at March 31, 2026

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2025

Rs. in Lakhs

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	27,404.01	27,404.01	-	-	27,404.01
Borrowings - Non-Current	3876.13	767.07	3109.06	-	3,876.13
Trade payables	4,196.32	4,196.32	-	-	4,196.32
Other financial liabilities - Current					
Interest accrued but not due on loans	271.46	271.46	-	-	271.46
Derivative Financial Instruments	38.82	38.82	-	-	38.82
Others	635.46	635.46	-	-	635.46
Other financial liabilities - Non-Current					
Others	452.13	-	356.60	95.53	452.13
Trade Deposits	200.91	144.15	-	56.76	200.91

Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

iv) Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	30,130.05	31,280.13
Trade Payables	5,513.16	4,196.32
Other Payables	2,246.90	1,146.65
Less: Cash and cash equivalents including bank balance	1,376.99	1,623.61
Less: Current Investments	-	-
Net debt	36,513.12	34,999.49
Equity	29,064.88	22,263.84
Capital and Net debt	65,578.01	57,263.33
Gearing Ratio	56%	61%

52. Fair Value Measurement

i) Some of the financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Rs. in Lakhs

Financial Asset / (Financial Liabilities)	Fair Value at*		Fair Value Hierarchy	Valuation Technique and key input used
	As at March 31, 2026	As at March 31, 2025		
1) Foreign currency forward contracts	13764.63	-	Level 2	Refer Note 3
2) Investments in unquoted equity instruments at fair value through other comprehensive income	704.55	463.67	Level 3	Refer Note 4

*positive value denotes financial asset (net) and negative value denotes financial liability (net)

Notes:

- There were no level 1 financial instruments during the period.
- There were no transfers between the Levels for the purpose of fair valuation.
- The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
Foreign currency forward contracts	Discounted cash flows	Flow Forward exchange rates, contract forward and interest rates, observable yield curves.

4. The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
Investments in unquoted equity instruments at fair value through other comprehensive income	Weighted average of Net asset value, discounted cash flows and profit earning capacity.	Projected cash flows, discount for expected rate of capitalisation, return and risk.	A 100 basis points increase/decrease in discount rate holding other variables constant would increase/(decrease) the amount of investment by Rs. 0.04 Lakhs / Rs (0.50) Lakhs (March 31, 2025: Rs.49.90 Lakhs/ Rs (40.25) Lakhs)

Notes to the financial statements as at March 31, 2026

ii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required) Rs. in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2025
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets at amortised cost				
Trade receivables	6,238.45	6,238.45	7,229.12	7,229.12
Cash and cash equivalents	5.91	5.91	7.97	7.97
Bank balances other than cash and cash equivalents	1,371.08	1,371.08	1,615.64	1,615.64
Loans	5.27	5.27	4.19	4.19
Other financial assets	1,280.25	1,280.25	534.50	534.50
Financial Liabilities at amortised cost				
Borrowings	30,130.05	30,130.05	31,280.13	31,280.13
Trade payables	5,513.16	5,513.16	4,196.32	4,196.32
Other financial liabilities	2,246.90	2,246.90	1,598.78	1,598.78

1. In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

iii) Reconciliation of Level 3 fair value measurements for the year ended 31 March 2026:

Rs. in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Investments in unquoted equity instruments at FVTOCI	Investments in unquoted equity instruments at FVTOCI
Opening Balance	463.68	366.79
Total gain or losses		
in profit or loss	-	-
In other comprehensive income	240.89	96.89
Closing Balance	704.55	463.68

53. Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Foreign Currency	As at March 31, 2026		As at March 31, 2025	
	Foreign currency in lakhs	(Rs. in lakhs)	Foreign currency in lakhs	(Rs. in lakhs)
Imports/ and other foreign currency payables				
US Dollar	145.42	13764.63	125.17	10712.05
AED	-	-	28.08	653.15

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Foreign Currency	As at March 31, 2026		As at March 31, 2025	
	Foreign currency in lakhs	(Rs. in lakhs)	Foreign currency in lakhs	(Rs. in lakhs)
Imports/ and other foreign currency payables				
US Dollar	-	-	-	-
Receivables against debit note				
US Dollar	-	-	-	-

Notes to the financial statements as at March 31, 2026**54. Expenditure incurred on corporate social responsibilities**

Details of expenditure on corporate social responsibility activities as per Section 135 of Companies Act, 2013 read with schedule III are as below:

Rs. in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1. Gross amount required to be spent by the company during the year	-	54.56
Total	-	54.56
2. Amount spent during the year		
Rural Development Projects	6.59	54.51
Promote Rural Sports	-	-
Promoting Educaiton	-	0.21
PM Care Fund	-	-
Total	6.59	54.72

55. Impact of Code on Social Security, 2020 have been duly incorporated in the financial statements.

56. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

57. a) The financial statements are presented in INR and all value are rounded to the nearest INR Lakhs, except when otherwise indicated.

b) Other Statutory information

- i) The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company do not have any transactions with struck off companies, except the following :

Name of the struck off Company	Nature of transaction with struck-off Company	Balance Outstanding	Relationship with any
Rukmini Leasing Ltd.	80 No. of Shares held by struck-off company	Nil	N.A.

- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company has not incurred any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) The Company has not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.

58. Previous year figures have been re-arranged and/or regrouped wherever considered necessary, to confirm current year classification.

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of KhaiTan Chemicals and Fertilizers Limited

For NSBP & Co.
Chartered Accountants
Firm's Registration No. : 001075N

SHAILESH KHAITAN
(Chairman & Managing Director)
DIN : 00041247

UTSAV KHIATAN
(Joint Managing Director)
DIN : 03021454

Ram Niwas Jalan
Partner
Membership Number: 082389

SEJAL MAHESHWARI
(Company Secretary & Compliance Officer)
Membership No. : F13942

HARSH VARDHAN AGNIHOTRI
(President & Chief Financial Officer)
PAN No.: ACXPA9315K

Place : New Delhi
Date : April 23, 2026

Actual Cost : ₹ 1204.40 Per Bag
Govt of India Subsidy : ₹ 454.40 Per Bag
Maximum Retail Price (Incl. of all taxes) : ₹ 750 Per Bag
Maximum Retail Price (Incl. of all taxes) : ₹ 15.00 Per Kg



“Use less & balanced fertilisers for better yield & prosperous Earth”

-Narendra Modi, Prime Minister



PRADHANMANTRI
**Bhartiya
Jan Urvarak
Pariyojna**

भारत एन पी के 5:15:0:10
BHARAT NPK 5:15:0:10

**Urea - Single Super Phosphate
Complex Fertiliser**

N (T) : 5% (MIN) Agriculture Purpose Only P (WS) : 12.5% (MIN)
P (Available) : 15% (MIN) **उर्वरक** FERTILISER S : 10% (MIN)

Marketed & Manufactured By:

14 स्वैतान केमिकल्स एंड फर्टिलाइजर्स लिमिटेड
निमरानी खरगौन (म.प्र.)

Net Weight = 50 Kg

Gross Weight = 50.120 kg

For Any Complaints : Contact - Manager (Production)

Khaitan Chemicals & Fertilizers Limited

7th Floor, The B Zone Business Space, Piplya Kumar, Nipania Main Road, Indore - 453771

Ph.: 0731-4200748, E-mail : kcfcustomer@kcf.in



सशक्त किसान, आत्मनिर्भर भारत



Thickness Of Bag - 290 Micron

भारत एन पी के | BHARAT NPK | भारत अेनपीके | जलत अैनपीके | भारत एन पी के | भारत एनपीके

भारत एनपीके | भारत अेनपीके | जलत अैनपीके | भारत एन पी के | भारत एनपीके

PRODUCT PORTFOLIO



FERTILIZERS

- Urea SSP Granules (NPK)
- Single Super Phosphate (SSP) - Powder & Granules
- Zincated SSP - Powder & Granules
- Boronated SSP - Powder & Granules
- Zincated Boronated SSP - Granules
- Zincated Boronated Magnesium Fortified SSP - Granules



INDUSTRIAL CHEMICALS

- Sulphuric Acid
- Oleum
- Sodium Silico Fluoride



Delivering Nutrient Solutions for Sustainable Agriculture and Industrial Growth



KHAITAN CHEMICALS AND FERTILIZERS LIMITED

CIN: L24219MP1882PLC004937

Regd. Office: A. B. Road, Village Nimrani,
Dist. Khargone - 451 688 (M.P.)

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